



Reprinted  
March 27, 2007

---

## ENGROSSED HOUSE BILL No. 1835

---

DIGEST OF HB 1835 (Updated March 26, 2007 4:54 pm - DI 73)

**Citations Affected:** IC 4-22; IC 4-31; IC 4-33; IC 4-35; IC 6-3; IC 6-8.1; IC 7.1-3; IC 7.1-5; IC 35-45; noncode.

**Synopsis:** Race tracks. Provides that the Indiana horse racing commission shall require at least 140 but not more than 160 live racing days at each racetrack. Provides that a permit holder may not conduct more than 12 races on a racing day. Authorizes slot machines at racetracks. Provides that a person may not operate slot machines in a county unless the county fiscal body has adopted an ordinance permitting the operation of the slot machines. Provides that a licensee may not install more than 1,500 slot machines. Limits a permit holder who offers slot machines to the number of satellite facility licenses issued to the permit holder before January 1, 2007. Specifies certain powers and duties of the Indiana gaming commission (commission) for the purpose of administering, regulating, and enforcing the system of slot machine gambling at racetracks. Provides that a license is null and void if the licensee permanently ends horse racing at the racetrack at which the licensee's slot machines are installed. Requires an initial licensing fee of \$400,000,000 from each licensee. Requires the commission to deposit the initial licensing fees collected into the state general fund. Imposes a graduated slot machine wagering tax equal to: (1) 25% of the first \$100,000,000 of adjusted gross receipts received during the state fiscal year; (2) 30% of the adjusted gross receipts in (Continued next page)

**Effective:** Upon passage; July 1, 2007; January 1, 2008.

---

### Van Haaften, Whetstone

(SENATE SPONSORS — JACKMAN, LANANE)

---

January 17, 2007, read first time and referred to Committee on Rules and Legislative Procedures.

February 1, 2007, reassigned to Committee on Public Policy.

February 15, 2007, amended, reported — Do Pass. Recommitted to Committee on Ways and Means.

February 20, 2007, amended, reported — Do Pass.

February 22, 2007, read second time, amended, ordered engrossed.

February 23, 2007, engrossed. Read third time, passed. Yeas 54, nays 39.

#### SENATE ACTION

March 5, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

March 22, 2007, amended, reported favorably — Do Pass.

March 26, 2007, read second time, amended, ordered engrossed.

C  
o  
p  
y

EH 1835—LS 6529/DI 44



excess of \$100,000,000 but not exceeding \$200,000,000 received during the state fiscal year; and (3) 35% of the adjusted gross receipts in excess of \$200,000,000 received during the state fiscal year. Provides that all slot machine wagering taxes are deposited into the state general fund. Imposes a 2% county slot machine wagering fee on a licensee that offers slot machine wagering. Provides that a licensee is not required to pay more than \$5,000,000 of fees in any state fiscal year. Provides that the fees are distributed to the county auditor of the county in which the licensee's racetrack is located for distribution to the county and cities and towns in the county. Requires a licensee that offers slot machine wagering to annually pay to the commission a gaming integrity fee of \$250,000. Provides that in state fiscal years beginning after June 30, 2007, and ending before July 1, 2012, a licensee that offers slot machine wagering shall pay to the commission a supplemental fee equal to 1% of the adjusted gross receipts received from slot machine wagering. Provides that the supplemental fees are distributed to the licensed owners or operating agent of each riverboat that first opens for business after June 30, 2006. Requires a licensee in each state fiscal year to devote to horse racing purses and certain other purposes an amount equal to 15% of the adjusted gross receipts from slot machine wagering. Specifies the distribution of this money. Specifies that beginning with the first year in which slot machine wagering is allowed, the riverboat admissions tax revenue otherwise distributed to the Indiana horse racing commission is reduced each state fiscal year by the 15% of adjusted gross receipts that is dedicated to purses, breed development, and horsemen's associations. Provides that the first \$250,000 (from each racetrack) from the 15% of adjusted gross receipts is to be deposited in the gaming integrity fund. Provides that money distributed to a horsemen's association may not be expended unless the expenditure is for the purposes specified in statute and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana. Requires a horsemen's association to: (1) annually file a report with the Indiana horse racing commission concerning the use of the money; and (2) register with the Indiana horse racing commission. Allows a slot machine facility to be licensed under the alcoholic beverage laws under the same conditions as a riverboat. Provides that the commission shall establish goals for permit holders concerning contracts for goods and services with minority business enterprises and women's business enterprises. Requires these goals to be equal to goals set by the commission for riverboat gaming licensees. Requires a licensee that offers slot machine wagering at racetracks to annually pay to the division of mental health and addiction a problem gambling fee equal \$500,000 for each racetrack at which the licensee offers slot machine wagering. Specifies the five counties in which a riverboat is currently operating as the Ohio River counties for which a riverboat owner's license may be issued. Provides that a person holding a riverboat owner's license for a riverboat on the Ohio River may not move the person's riverboat from the riverboat's location on January 1, 2007, to another location. Provides that a riverboat is not required to be self-propelled or otherwise have a functioning motor. Provides that for taxable years beginning after December 31, 2007, the riverboat wagering tax under IC 4-33-13 is not considered a tax based on or measured by income and is not required to be added back to federal taxable income to determine Indiana adjusted gross income. Provides that the commission may by rule determine the point at which a person is considered to be admitted to a gambling excursion or admitted to a riverboat, for purposes of collecting the riverboat admissions tax. Prohibits local development agreements between the permit holders who operate slot machine facilities and political subdivisions. Authorizes the possession of an antique slot machine that is used for decorative, historic, or nostalgic purposes. Makes other changes.

**C  
o  
p  
y**



Reprinted  
March 27, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1835

A BILL FOR AN ACT to amend the Indiana Code concerning gaming and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.47-2006,  
2 SECTION 2, AS AMENDED BY P.L.91-2006, SECTION 2, AND AS  
3 AMENDED BY P.L.123-2006, SECTION 12, IS CORRECTED AND  
4 AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
5 PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action  
6 resulting in any of the following rules:  
7 (1) An order adopted by the commissioner of the Indiana  
8 department of transportation under IC 9-20-1-3(d) or  
9 IC 9-21-4-7(a) and designated by the commissioner as an  
10 emergency rule.  
11 (2) An action taken by the director of the department of natural  
12 resources under IC 14-22-2-6(d) or IC 14-22-6-13.  
13 (3) An emergency temporary standard adopted by the  
14 occupational safety standards commission under  
15 IC 22-8-1.1-16.1.  
16 (4) An emergency rule adopted by the solid waste management  
17 board under IC 13-22-2-3 and classifying a waste as hazardous.

EH 1835—LS 6529/DI 44+



C  
o  
p  
y

- 1 (5) A rule, other than a rule described in subdivision (6), adopted
- 2 by the department of financial institutions under IC 24-4.5-6-107
- 3 and declared necessary to meet an emergency.
- 4 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
- 5 department of financial institutions and declared necessary to
- 6 meet an emergency under IC 24-4.5-6-107.
- 7 (7) A rule adopted by the Indiana utility regulatory commission to
- 8 address an emergency under IC 8-1-2-113.
- 9 (8) An emergency rule adopted by the state lottery commission
- 10 under IC 4-30-3-9.
- 11 (9) A rule adopted under IC 16-19-3-5 that the executive board of
- 12 the state department of health declares is necessary to meet an
- 13 emergency.
- 14 (10) An emergency rule adopted by the Indiana finance authority
- 15 under IC 8-21-12.
- 16 (11) An emergency rule adopted by the insurance commissioner
- 17 under IC 27-1-23-7.
- 18 (12) An emergency rule adopted by the Indiana horse racing
- 19 commission under IC 4-31-3-9.
- 20 (13) An emergency rule adopted by the air pollution control
- 21 board, the solid waste management board, or the water pollution
- 22 control board under IC 13-15-4-10(4) or to comply with a
- 23 deadline required by federal law, provided:
- 24 (A) the variance procedures are included in the rules; and
- 25 (B) permits or licenses granted during the period the
- 26 emergency rule is in effect are reviewed after the emergency
- 27 rule expires.
- 28 (14) An emergency rule adopted by the Indiana election
- 29 commission under IC 3-6-4.1-14.
- 30 (15) An emergency rule adopted by the department of natural
- 31 resources under IC 14-10-2-5.
- 32 (16) An emergency rule adopted by the Indiana gaming
- 33 commission under *IC 4-32.2-3-3(b)*, IC 4-33-4-2, IC 4-33-4-3, ~~or~~
- 34 **IC 4-33-4-14, or IC 4-35-4-2.**
- 35 (17) An emergency rule adopted by the alcohol and tobacco
- 36 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
- 37 IC 7.1-3-20-24.4.
- 38 (18) An emergency rule adopted by the department of financial
- 39 institutions under IC 28-15-11.
- 40 (19) An emergency rule adopted by the office of the secretary of
- 41 family and social services under IC 12-8-1-12.
- 42 (20) An emergency rule adopted by the office of the children's

C  
o  
p  
y



health insurance program under IC 12-17.6-2-11.

(21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.

(22) An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.

(23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34 **(repealed)**.

(25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33 **(repealed)**.

(26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

(27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) **(repealed)** or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) **(repealed)** or IC 6-1.1-22.5-20.

(28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.

(29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.

(30) *A rule adopted by the Indiana finance authority:*

*(A) under IC 8-15.5-7 approving user fees (as defined in IC 8-15.5-2-10) provided for in a public-private agreement under IC 8-15.5;*

*(B) under IC 8-15-2-17.2(a)(10):*

*(i) establishing enforcement procedures; and*

*(ii) making assessments for failure to pay required tolls;*

*(C) under IC 8-15-2-14(a)(3) authorizing the use of and establishing procedures for the implementation of the collection of user fees by electronic or other nonmanual means; or*

*(D) to make other changes to existing rules related to a toll road project to accommodate the provisions of a public-private agreement under IC 8-15.5.*

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the

C  
o  
p  
y



documents required by section 21 of this chapter. The publisher shall determine the ~~number of copies~~ format of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the ~~secretary of state publisher~~ for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The ~~secretary of state publisher~~ shall determine the ~~number of copies~~ format of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the ~~secretary of state publisher~~ shall:

- (1) accept the rule for filing; and
- (2) ~~file stamp and indicate electronically record~~ the date and time that the rule is accepted. ~~on every duplicate original copy submitted.~~

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

- (1) The effective date of the statute delegating authority to the agency to adopt the rule.
- (2) The date and time that the rule is accepted for filing under subsection (e).
- (3) The effective date stated by the adopting agency in the rule.
- (4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in subsections (j), ~~and~~ (k), ~~and~~ (l), a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. The extension period for a rule adopted under subsection (a)(28) may not exceed the period for which the original rule was in effect. A rule adopted under subsection (a)(13) may be extended for two (2) extension periods. Subject to subsection (j), a rule adopted under subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection (a)(13), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

- (1) sections 24 through 36 of this chapter; or
- (2) IC 13-14-9;

C  
o  
p  
y



as applicable.

(h) A rule described in subsection (a)(6), (a)(8), (a)(12), or (a)(29) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

*(l) A rule described in subsection (a)(30) expires on the expiration date stated by the Indiana finance authority in the rule.*

SECTION 2. IC 4-31-2-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.5. "Live racing day" means a day on which at least eight (8) live horse races are conducted.**

SECTION 3. IC 4-31-2-20.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20.7. "Slot machine" refers to a type of electronic gaming device approved by the Indiana gaming commission for wagering under IC 4-35.**

SECTION 4. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county. However, before adopting the ordinance, the county fiscal body must:

(1) conduct a public hearing on the proposed ordinance; and

(2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or

(2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county

C  
o  
p  
y



may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

**(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended in a manner that restricts a person's ability to conduct gambling games under IC 4-35.**

**(d) A person may not operate slot machines in a county under IC 4-35 unless the county fiscal body has adopted an ordinance permitting the operation of slot machines under IC 4-35 in the county.**

SECTION 5. IC 4-31-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) A person may not conduct, assist, or aid or abet in conducting a horse racing meeting in which the pari-mutuel system of wagering is permitted unless that person secures a recognized meeting permit under this chapter.

(b) The commission may not issue a recognized meeting permit for:

- (1) an activity other than horse racing meetings; or
- (2) horse racing meetings conducted at:
  - (A) the state fairgrounds during a state fair; or
  - (B) a county fairgrounds.

However, subdivision (2) does not prohibit the commission from issuing a recognized meeting permit for races to be conducted at the state fairgrounds at times when a fair is not in session.

**(c) The commission may not issue more than two (2) recognized meeting permits under this chapter.**

SECTION 6. IC 4-31-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. **(a)** The commission shall determine the dates and **(if the commission adopts a rule under subsection (c))** the number of racing days authorized under each recognized meeting permit. Except for racing at winterized tracks, a recognized meeting may not be conducted after December 10 of a calendar year.

**(b) Except as provided in subsection (c), the commission shall require at least one hundred forty (140) but not more than one hundred sixty (160) live racing days each calendar year at the racetrack designated in a permit holder's permit, as follows:**

- (1) At least eighty (80) but not more than ninety (90) live**

C  
O  
P  
Y





1 racing days must be for standardbreds.

2 (2) At least sixty (60) but not more than seventy (70) live  
3 racing days must be for horses that are:

4 (A) mounted by jockeys; and

5 (B) run on a course without jumps or obstacles.

6 The requirements of this subsection are a continuing condition for  
7 maintaining the permit holder's permit. However, the  
8 requirements do not apply if the commission determines that the  
9 permit holder is prevented from conducting live horse racing as a  
10 result of a natural disaster or another event over which the permit  
11 holder has no control.

12 (c) The commission may by rule adjust any of the following:

13 (1) The total required number of live racing days under  
14 subsection (b).

15 (2) The number of live racing days required under subsection  
16 (b)(1).

17 (3) The number of live racing days required under subsection  
18 (b)(2).

19 (d) A permit holder may not conduct more than twelve (12)  
20 races on a particular racing day.

21 SECTION 7. IC 4-31-5.5-3 IS AMENDED TO READ AS  
22 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) As used in  
23 this section, "live racing day" means a day on which at least eight (8)  
24 live horse races are conducted.

25 (b) The commission's authority to issue satellite facility licenses is  
26 subject to the following conditions:

27 (1) The commission may issue four (4) satellite facility licenses  
28 to each permit holder that

29 (A) conducts at least one hundred twenty (120) live racing  
30 days per year at the racetrack designated in the permit holder's  
31 permit; and

32 (B) meets the other requirements of this chapter and the rules  
33 adopted under this chapter.

34 If a permit holder that operates satellite facilities does not meet  
35 the required minimum number of live racing days, the permit  
36 holder may not operate the permit holder's satellite facilities  
37 during the following year. However, the requirement for one  
38 hundred twenty (120) live racing days does not apply if the  
39 commission determines that the permit holder is prevented from  
40 conducting live horse racing as a result of a natural disaster or  
41 other event over which the permit holder has no control. In  
42 addition, if the initial racing meeting conducted by a permit

C  
o  
p  
y



holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations; the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

(A) have full dining service available;

(B) have multiple screens to enable each patron to view simulcast races; and

(C) be designed to seat comfortably a minimum of four hundred (400) persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

(A) The purposes and provisions of this chapter.

(B) The public interest.

(C) The impact of the proposed satellite facility on live racing.

(D) The impact of the proposed satellite facility on the local community.

(E) The potential for job creation.

(F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.

(G) Any other factors that the commission considers important or relevant to its decision.

(5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.

**(c) A permit holder licensed to conduct gambling games under IC 4-35 is limited to the number of satellite facility licenses issued to the permit holder before January 1, 2007.**

SECTION 8. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

(1) another place other than that provided and designated by the

C  
o  
p  
y



person; or

(2) another method or system of betting or wagering.

**However, a permit holder licensed to conduct gambling games under IC 4-35 may permit wagering on slot machines at a racetrack as permitted by IC 4-35.**

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 9. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

**(d) Except as provided by IC 4-35-7-2, a person less than twenty-one (21) years of age may not enter the area of a racetrack in which gambling games are conducted under IC 4-35.**

SECTION 10. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:

(1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools, **but excluding money wagered on slot machines under IC 4-35**); plus

(2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility.

SECTION 11. IC 4-33-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. This article applies only to the following:

(1) Counties contiguous to Lake Michigan.

(2) ~~Counties~~ **A county that is:**

**(A)** contiguous to the Ohio River; **and**

**(B) described in IC 4-33-6-1(a)(5).**

(3) A county that contains a historic hotel district.

SECTION 12. IC 4-33-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. "Riverboat" means

**C  
o  
p  
y**



either of the following on which lawful gambling is authorized under this article:

(1) A ~~self-propelled excursion boat vessel~~ located in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) that complies with IC 4-33-6-6(a).

(2) A vessel located in a historic hotel district.

**A riverboat is not required to be self-propelled or otherwise have a functioning motor.**

SECTION 13. IC 4-33-2-17.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17.5. "Slot machine taxes" means the taxes imposed under IC 4-35-8-1 on the adjusted gross receipts of gambling games conducted under IC 4-35.**

SECTION 14. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may issue to a person a license to own a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, section 3.5 of this chapter, and IC 4-33-4-17. However, not more than ten (10) owner's licenses may be in effect at any time. Except as provided in subsection (b), those ten (10) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from **the following** counties: ~~described under IC 4-33-1-1(2).~~

**(A) Vanderburgh County.**

**(B) Harrison County.**

**(C) Switzerland County.**

**(D) Ohio County.**

**(E) Dearborn County.**

The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat

C  
o  
p  
y



operating from a county described in ~~IC 4-33-1-1(2)~~: **this subdivision.**

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

- (1) does not already have a riverboat operating from the city; and
- (2) is located in a county described in IC 4-33-1-1(1).

(c) In addition to its power to issue owner's licenses under subsection (a), the commission may also enter into a contract under IC 4-33-6.5 with respect to the operation of one (1) riverboat on behalf of the commission in a historic hotel district.

**(d) A person holding an owner's license under subdivision (a)(5) of this section may not move the person's riverboat from the location at which the riverboat was docked on January 1, 2007, to any other location.**

SECTION 15. IC 4-33-6-6, AS AMENDED BY P.L.170-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) A riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

(1) have either:

(A) a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; or

(B) a valid certificate of compliance with marine structural and life safety standards determined by the commission; and

(2) be at least one hundred fifty (150) feet in length.

**However, a riverboat is not required to be self-propelled or otherwise have a functioning motor.**

(b) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

SECTION 16. IC 4-33-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This subsection does not apply to a riverboat that has implemented flexible scheduling under IC 4-33-6-21. A tax is imposed on admissions to gambling excursions authorized under this article at a rate of three dollars (\$3) for each person admitted to the gambling excursion. This admission tax is imposed upon the licensed owner conducting the gambling

C  
o  
p  
y



excursion.

(b) This subsection applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5. A tax is imposed on the admissions to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5 at the following rate:

(1) Four dollars (\$4) for each person admitted to a riverboat that docks in a county described in IC 4-33-1-1(3). This admission tax is imposed upon the operating agent of the riverboat.

(2) Three dollars (\$3) for each person admitted to a riverboat that docks in any other county. This admission tax is imposed upon the licensed owner operating the riverboat.

**(c) The commission may by rule determine the point at which a person is considered to be:**

**(1) admitted to a gambling excursion, in the case of a riverboat subject to subsection (a); or**

**(2) admitted to a riverboat, in the case of a riverboat subject to subsection (b);**

**for purposes of collecting the admissions tax under this chapter.**

SECTION 17. IC 4-33-12-6, AS AMENDED BY P.L.4-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

C  
o  
p  
y



shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k) **and section 7 of this chapter**, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and

C  
o  
p  
y



1 routine operations of the racetrack. No grants shall be made  
 2 for long term capital investment or construction, and no grants  
 3 shall be made before the racetrack becomes operational and is  
 4 offering a racing schedule.

5 (c) With respect to tax revenue collected from a riverboat located in  
 6 a historic hotel district, the treasurer of state shall quarterly pay the  
 7 following amounts:

8 (1) Twenty-five percent (25%) of the admissions tax collected  
 9 during the quarter shall be paid to the county treasurer of the  
 10 county in which the riverboat is docked. The county treasurer  
 11 shall distribute the money received under this subdivision as  
 12 follows:

13 (A) Twenty percent (20%) shall be quarterly distributed to the  
 14 county treasurer of a county having a population of more than  
 15 thirty-nine thousand six hundred (39,600) but less than forty  
 16 thousand (40,000) for appropriation by the county fiscal body  
 17 after receiving a recommendation from the county executive.  
 18 The county fiscal body for the receiving county shall provide  
 19 for the distribution of the money received under this clause to  
 20 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in  
 21 the county under a formula established by the county fiscal  
 22 body after receiving a recommendation from the county  
 23 executive.

24 (B) Twenty percent (20%) shall be quarterly distributed to the  
 25 county treasurer of a county having a population of more than  
 26 ten thousand seven hundred (10,700) but less than twelve  
 27 thousand (12,000) for appropriation by the county fiscal body.  
 28 The county fiscal body for the receiving county shall provide  
 29 for the distribution of the money received under this clause to  
 30 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in  
 31 the county under a formula established by the county fiscal  
 32 body after receiving a recommendation from the county  
 33 executive.

34 (C) Sixty percent (60%) shall be retained by the county where  
 35 the riverboat is docked for appropriation by the county fiscal  
 36 body after receiving a recommendation from the county  
 37 executive. The county fiscal body shall provide for the  
 38 distribution of part or all of the money received under this  
 39 clause to the following under a formula established by the  
 40 county fiscal body:

41 (i) A town having a population of more than two thousand  
 42 two hundred (2,200) but less than three thousand five

C  
o  
p  
y





hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that

C  
o  
p  
y



operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

**C  
O  
P  
Y**



shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k) **and section 7 of this chapter**, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

C  
o  
p  
y



(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year

C  
o  
p  
y



revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) ~~exceed~~ **exceeds** a particular entity's base year revenue; and
- (2) would otherwise be due to the entity under this section; to the property tax replacement fund instead of to the entity.

SECTION 18. IC 4-33-12-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) The maximum amount paid to the Indiana horse racing commission under this article in a state fiscal year may not exceed the remainder of:**

- (1) the Indiana horse racing commission's base year revenue as determined under section 6(h) of this chapter; minus
- (2) the amount of money, if any, distributed by licensees under IC 4-35-7-12 to horsemen's associations and for horse racing purses and breed development in the state fiscal year.

**(b) For each state fiscal year the treasurer of state shall pay an amount equal to the lesser of:**

- (1) the amount of admissions taxes specified in:
  - (A) section 6(b)(6) of this chapter; and
  - (B) section 6(d)(7) of this chapter; or
- (2) the amount of money distributed under IC 4-35-7-12 that is subtracted from the Indiana horse racing commission's base year revenue under subsection (a);

**to the state general fund instead of to the Indiana horse racing commission.**

SECTION 19. IC 4-33-13-5, AS AMENDED BY P.L.91-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. (a)** This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

- (1) The first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for

C  
o  
p  
y



revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter as follows:

(1) Thirty-seven and one-half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each

C  
o  
p  
y



town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of

C  
o  
p  
y



more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32.2-7-7.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall

C  
o  
p  
y





1 distribute the money received by the county under this subsection as  
2 follows:

3 (1) To each city located in the county according to the ratio the  
4 city's population bears to the total population of the county.

5 (2) To each town located in the county according to the ratio the  
6 town's population bears to the total population of the county.

7 (3) After the distributions required in subdivisions (1) and (2) are  
8 made, the remainder shall be retained by the county.

9 (f) Money received by a city, town, or county under subsection (e)  
10 or (h) may be used for any of the following purposes:

11 (1) To reduce the property tax levy of the city, town, or county for  
12 a particular year (a property tax reduction under this subdivision  
13 does not reduce the maximum levy of the city, town, or county  
14 under IC 6-1.1-18.5).

15 (2) For deposit in a special fund or allocation fund created under  
16 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and  
17 IC 36-7-30 to provide funding for additional credits for property  
18 tax replacement in property tax increment allocation areas or debt  
19 repayment.

20 (3) To fund sewer and water projects, including storm water  
21 management projects.

22 (4) For police and fire pensions.

23 (5) To carry out any governmental purpose for which the money  
24 is appropriated by the fiscal body of the city, town, or county.  
25 Money used under this subdivision does not reduce the property  
26 tax levy of the city, town, or county for a particular year or reduce  
27 the maximum levy of the city, town, or county under  
28 IC 6-1.1-18.5.

29 (g) This subsection does not apply to an entity receiving money  
30 under IC 4-33-12-6(c). Before September 15 of each year, the treasurer  
31 of state shall determine the total amount of money distributed to an  
32 entity under IC 4-33-12-6 during the preceding state fiscal year. If the  
33 treasurer of state determines that the total amount of money distributed  
34 to an entity under IC 4-33-12-6 during the preceding state fiscal year  
35 was less than the entity's base year revenue (as determined under  
36 IC 4-33-12-6), the treasurer of state shall make a supplemental  
37 distribution to the entity from taxes collected under this chapter and  
38 deposited into the property tax replacement fund. **Except as provided**  
39 **in subsection (i),** the amount of ~~the~~ **an entity's** supplemental  
40 distribution is equal to:

41 (1) the entity's base year revenue (as determined under  
42 IC 4-33-12-6); minus

C  
o  
p  
y



(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

**(i) This subsection applies only to the Indiana horse racing commission. For each state fiscal year the amount of the Indiana horse racing commission's supplemental distribution under subsection (g) must be reduced by the amount required to comply with IC 4-33-12-7(a).**

SECTION 20. IC 4-33-18-9, AS AMENDED BY P.L.91-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

(1) the ~~Indiana state~~ lottery commission under IC 4-30;

(2) the Indiana horse racing commission under IC 4-31; or

(3) the Indiana gaming commission under IC 4-32.2, ~~or~~ IC 4-33, **or IC 4-35.**

(b) The department may not exercise any administrative or regulatory powers with respect to:

(1) the Indiana lottery under IC 4-30;

(2) pari-mutuel horse racing under IC 4-31;

(3) charity gaming under IC 4-32.2; ~~or~~

(4) riverboat casino gambling under IC 4-33; **or**

**(5) gambling games conducted at a racetrack (as defined in IC 4-35-2-8) under IC 4-35.**

SECTION 21. IC 4-35 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

## **ARTICLE 35. GAMBLING GAMES AT RACETRACKS**

### **Chapter 1. Application**

**Sec. 1. This article applies only to gambling games conducted by**

**C  
o  
p  
y**



a permit holder holding a gambling game license issued under IC 4-35-5.

## **Chapter 2. Definitions**

**Sec. 1.** The definitions in this chapter apply throughout this article.

**Sec. 2.** "Adjusted gross receipts" means:

(1) the total of all cash and property (including checks received by a licensee, whether collected or not) received by a licensee from gambling games; minus

(2) the total of:

(A) all cash paid out to patrons as winnings for gambling games; and

(B) uncollectible gambling game receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks received from gambling games; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for gambling games.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the licensee from gambling games.

**Sec. 3.** "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

**Sec. 4.** "Department" refers to the department of state revenue.

**Sec. 5.** "Gambling game" means a game played on a slot machine approved for wagering under this article by the commission.

**Sec. 6.** "Gaming agent" means an individual described in IC 4-33-4.5.

**Sec. 7.** "Licensee" means a person holding a license issued under this article.

**Sec. 8.** "Permit holder" means a person holding a permit issued under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

**Sec. 9.** "Racetrack" means the racetrack specified in a permit holder's permit to conduct a pari-mutuel horse racing meeting.

**Sec. 10.** "Supplier's license" means a license issued under IC 4-35-6.

## **Chapter 3. General Provisions**

**Sec. 1.** All shipments of slot machines to licensees in Indiana, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171

**C  
o  
p  
y**



1 through 15 U.S.C. 1178, are legal shipments of gambling devices  
2 into Indiana.

3 Sec. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the  
4 state of Indiana, acting by and through elected and qualified  
5 members of the general assembly, declares that the state is exempt  
6 from 15 U.S.C. 1172.

7 Sec. 3. (a) This section does not apply to real or personal  
8 property taxes imposed by a local taxing unit.

9 (b) Local governmental authority concerning all matters  
10 relating to the gambling games at racetracks conducted under this  
11 article is preempted by the state under this article.

12 (c) No tax or fee, except as provided in this article, shall be  
13 assessed or collected from a permit holder by a political  
14 subdivision having the power to assess or collect a tax or fee. This  
15 section does not prohibit the assessment and levying of property  
16 taxes otherwise authorized by law or the imposing of a special  
17 assessment (including a ditch or drainage assessment, Barrett Law  
18 assessment, improvement assessment, sewer assessment, or sewage  
19 assessment) otherwise authorized by law to be imposed on property  
20 to be benefited by an improvement.

21 (d) A political subdivision may not enter an agreement with a  
22 permit holder that requires any financial commitments from the  
23 permit holder that are in addition to the fees and taxes imposed  
24 under this article.

25 Sec. 4. This article will maintain the public's confidence and  
26 trust through:

- 27 (1) comprehensive law enforcement supervision; and
- 28 (2) the strict regulation of facilities, persons, associations, and
- 29 gambling games at racetracks under this article.

#### 30 Chapter 4. Powers and Duties of the Indiana Gaming 31 Commission

32 Sec. 1. (a) The commission shall regulate and administer  
33 gambling games conducted by a licensee under this article.

34 (b) The commission has the following powers and duties for the  
35 purpose of administering, regulating, and enforcing the system of  
36 gambling games at racetracks authorized under this article:

- 37 (1) All powers and duties specified in this article.
- 38 (2) All powers necessary and proper to fully and effectively
- 39 execute this article.
- 40 (3) Jurisdiction and supervision over the following:
  - 41 (A) All gambling game operations in Indiana.
  - 42 (B) All persons at racetracks where gambling games are

C  
o  
p  
y



- 1           conducted.
- 2           (4) The power to investigate and reinvestigate applicants and
- 3           licensees and determine the eligibility of applicants for
- 4           licenses.
- 5           (5) The power to take appropriate administrative enforcement
- 6           or disciplinary action against a licensee.
- 7           (6) The power to investigate alleged violations of this article.
- 8           (7) The power to conduct hearings.
- 9           (8) The power to issue subpoenas for the attendance of
- 10          witnesses and subpoenas duces tecum for the production of
- 11          books, records, and other relevant documents.
- 12          (9) The power to administer oaths and affirmations to the
- 13          witnesses.
- 14          (10) The power to prescribe forms to be used by licensees.
- 15          (11) The power to revoke, suspend, or renew licenses issued
- 16          under this article.
- 17          (12) The power to hire employees to gather information,
- 18          conduct investigations, and carry out other tasks under this
- 19          article. The employees hired by the commission under this
- 20          article may be the same as the commission's employees hired
- 21          under IC 4-32.2 or IC 4-33.
- 22          (13) The power to take any reasonable or appropriate action
- 23          to enforce this article.
- 24          (c) The commission may by resolution assign to the executive
- 25          director any duty imposed upon the commission by this article.
- 26          (d) The executive director shall perform the duties assigned to
- 27          the executive director by the commission. The executive director
- 28          may exercise any power conferred upon the commission by this
- 29          article that is consistent with the duties assigned to the executive
- 30          director under subsection (c).
- 31          Sec. 2. (a) The commission shall do the following:
- 32                  (1) Adopt rules under IC 4-22-2 that the commission
- 33                  determines are necessary to protect or enhance the following:
- 34                          (A) The credibility and integrity of gambling games
- 35                          authorized under this article.
- 36                          (B) The regulatory process provided in this article.
- 37                  (2) Conduct all hearings concerning civil violations of this
- 38                  article.
- 39                  (3) Provide for the establishment and collection of license fees
- 40                  imposed under this article, and deposit the license fees in the
- 41                  state general fund.
- 42                  (4) Levy and collect penalties for noncriminal violations of

C  
o  
p  
y



1 this article and deposit the penalties in the state general fund.

2 (5) Approve the design, appearance, aesthetics, and  
3 construction of slot machine facilities authorized under this  
4 article.

5 (6) Adopt emergency rules under IC 4-22-2-37.1 if the  
6 commission determines that:

7 (A) the need for a rule is so immediate and substantial that  
8 rulemaking procedures under IC 4-22-2-13 through  
9 IC 4-22-2-36 are inadequate to address the need; and

10 (B) an emergency rule is likely to address the need.

11 (7) Adopt rules to establish and implement a voluntary  
12 exclusion program that meets the requirements of subsection  
13 (c).

14 (b) The commission shall begin rulemaking procedures under  
15 IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule  
16 adopted under subsection (a)(6) not later than thirty (30) days after  
17 the adoption of the emergency rule under subsection (a)(6).

18 (c) Rules adopted under subsection (a)(7) must provide the  
19 following:

20 (1) Except as provided by rule of the commission, a person  
21 who participates in the voluntary exclusion program agrees  
22 to refrain from entering a facility at which gambling games  
23 are conducted or another facility under the jurisdiction of the  
24 commission.

25 (2) That the name of a person participating in the program  
26 will be included on a list of persons excluded from all facilities  
27 under the jurisdiction of the commission.

28 (3) Except as provided by rule of the commission, a person  
29 who participates in the voluntary exclusion program may not  
30 petition the commission for readmittance to a facility under  
31 the jurisdiction of the commission.

32 (4) That the list of patrons entering the voluntary exclusion  
33 program and the personal information of the participants are  
34 confidential and may only be disseminated by the commission  
35 to the owner or operator of a facility under the jurisdiction of  
36 the commission for purposes of enforcement and to other  
37 entities, upon request by the participant and agreement by the  
38 commission.

39 (5) That an owner of a facility under the jurisdiction of the  
40 commission shall make all reasonable attempts as determined  
41 by the commission to cease all direct marketing efforts to a  
42 person participating in the program.

C  
o  
p  
y



(6) That an owner of a facility under the jurisdiction of the commission may not cash the check of a person participating in the program or extend credit to the person in any manner. However, the voluntary exclusion program does not preclude an owner from seeking the payment of a debt accrued by a person before entering the program.

**Sec. 3. The commission shall adopt rules under IC 4-22-2 for the following purposes:**

- (1) Administering this article.
- (2) Establishing the conditions under which gambling games at racetracks may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest.
- (4) Establishing rules concerning the inspection of gambling game facilities at racetracks and the review of the licenses necessary to conduct gambling games under this article.
- (5) Imposing penalties for noncriminal violations of this article.

**Sec. 4. The commission shall be present through the commission's gaming agents during the time gambling games are being conducted at a racetrack to do the following:**

- (1) Certify the revenue received by a racetrack from gambling games.
- (2) Receive complaints from the public concerning the operation of gambling games.
- (3) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

**Sec. 5. The commission shall employ gaming agents to perform duties imposed by this article. A licensee shall, under rules adopted by the commission under IC 4-22-2, reimburse the commission for:**

- (1) training expenses incurred to train gaming agents;
- (2) salaries and other expenses of staff required to support the gaming agents; and
- (3) salaries and other expenses of the gaming agents required to be present during the time gambling games are being conducted at a racetrack.

**Sec. 6. The commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer this article.**

**Sec. 7. (a) The commission shall adopt standards for the licensing of the following:**

**C  
O  
P  
Y**



1 (1) Persons regulated under this article.

2 (2) Slot machines used in gambling games.

3 (b) Where applicable, 68 IAC applies to racetracks conducting  
4 gambling games under this article.

5 Sec. 8. The commission shall require that the records, including  
6 financial statements, of a licensee must be maintained in the  
7 manner prescribed by the commission.

8 Sec. 9. (a) The commission may eject or exclude or authorize the  
9 ejection or exclusion of a person from a facility at which gambling  
10 games are conducted if:

11 (1) the person's name is on the list of persons voluntarily  
12 excluding themselves from all facilities at which gambling  
13 games are conducted in a program established under the rules  
14 of the commission;

15 (2) the person violates this article; or

16 (3) the commission determines that the person's conduct or  
17 reputation is such that the person's presence within a facility  
18 at which gambling games are conducted may:

19 (A) call into question the honesty and integrity of the  
20 gambling games at racetracks; or

21 (B) interfere with the orderly conduct of the gambling  
22 games at racetracks.

23 (b) A person, other than a person participating in a voluntary  
24 exclusion program, may petition the commission for a hearing on  
25 the person's ejection or exclusion under this section.

26 Sec. 10. If a licensee or an employee of a licensee violates this  
27 article or engages in a fraudulent act, the commission may do any  
28 combination of the following:

29 (1) Suspend, revoke, or restrict the license of the licensee.

30 (2) Require the removal of a licensee or an employee of a  
31 licensee.

32 (3) Impose a civil penalty of not more than the greater of:

33 (A) ten thousand dollars (\$10,000); or

34 (B) an amount equal to the licensee's daily gross receipts  
35 for the day of the violation;

36 against a licensee for each violation of this article.

37 (4) Impose a civil penalty of not more than twenty-five  
38 thousand dollars (\$25,000) against a person who has been  
39 issued a supplier's license for each violation of this article.

40 Sec. 11. (a) The commission shall review and make a  
41 determination on a complaint by a licensee concerning an  
42 investigative procedure that the licensee alleges is unnecessarily

C  
o  
p  
y





1 disruptive of gambling games at racetracks.

2 (b) A licensee filing a complaint under this section must prove  
3 all of the following by clear and convincing evidence:

4 (1) The investigative procedure had no reasonable law  
5 enforcement purpose.

6 (2) The investigative procedure was so disruptive as to  
7 unreasonably inhibit gambling games at racetracks.

8 (c) For purposes of this section, the need to inspect and  
9 investigate a licensee shall be presumed at all times.

10 Sec. 12. (a) The commission shall require a licensee to  
11 conspicuously display the number of the toll free telephone line  
12 described in IC 4-33-12-6 in the following locations:

13 (1) On each admission ticket to a facility at which gambling  
14 games are conducted, if tickets are issued.

15 (2) On a poster or placard that is on display in a public area  
16 of each facility at which gambling games at racetracks are  
17 conducted.

18 (b) The commission may adopt rules under IC 4-22-2 necessary  
19 to carry out this section.

#### 20 Chapter 5. Gambling Game License

21 Sec. 1. The commission may issue a license to a permit holder to  
22 conduct gambling games under this article at the permit holder's  
23 racetrack. The number of licenses issued under this chapter may  
24 not exceed two (2).

25 Sec. 2. (a) Before issuing a license to a person under this  
26 chapter, the commission shall subject the person to a background  
27 investigation similar to a background investigation required for an  
28 applicant for a riverboat owner's license under IC 4-33-6.

29 (b) Before the commission may issue a license to a person under  
30 this chapter, the person must submit to the commission for the  
31 commission's approval the physical layout of the person's proposed  
32 slot machines and the facilities that will contain the proposed slot  
33 machines. The facilities that will contain the slot machines must be  
34 connected to the licensee's racetrack facilities.

35 Sec. 2.5. (a) The commission may not issue a license under this  
36 chapter to a person if:

37 (1) the person has been convicted of a felony under Indiana  
38 law, the laws of any other state, or the laws of the United  
39 States;

40 (2) the person has knowingly or intentionally submitted an  
41 application for a license under this chapter that contains false  
42 information;

C  
o  
p  
y



- 1 (3) the person is a member of the commission;
- 2 (4) the person is an officer, a director, or a managerial
- 3 employee of a person described in subdivision (1) or (2);
- 4 (5) the person employs an individual who:
- 5 (A) is described in subdivision (1), (2), or (3); and
- 6 (B) participates in the management or operation of
- 7 gambling games authorized under this article; or
- 8 (6) a license issued to the person:
- 9 (A) under this article; or
- 10 (B) to own or operate gambling facilities in another
- 11 jurisdiction;
- 12 has been revoked.

13 (b) In determining whether to grant a license under this chapter  
 14 to an applicant, the commission shall consider the following:

- 15 (1) The character, reputation, experience, and financial
- 16 integrity of the following:
- 17 (A) The applicant.
- 18 (B) A person that:
- 19 (i) directly or indirectly controls the applicant; or
- 20 (ii) is directly or indirectly controlled by the applicant or
- 21 by a person that directly or indirectly controls the
- 22 applicant.
- 23 (2) The facilities or proposed facilities for the conduct of
- 24 gambling games.
- 25 (3) The prospective total revenue to be collected by the state
- 26 from the conduct of gambling games.
- 27 (4) The good faith affirmative action plan of each applicant to
- 28 recruit, train, and upgrade minorities in all employment
- 29 classifications.
- 30 (5) The financial ability of the applicant to purchase and
- 31 maintain adequate liability and casualty insurance.
- 32 (6) If the applicant has adequate capitalization to provide and
- 33 maintain facilities for gambling games for the duration of the
- 34 license.
- 35 (7) The extent to which the applicant exceeds or meets other
- 36 standards adopted by the commission.

37 Sec. 2.6. (a) A licensee under this chapter must post a bond with  
 38 the commission at least sixty (60) days before the commencement  
 39 of gambling games at the licensee's racetrack.

- 40 (b) The bond shall be furnished in:
- 41 (1) cash or negotiable securities;
- 42 (2) a surety bond:

C  
o  
p  
y



- 1 (A) with a surety company approved by the commission;  
 2 and  
 3 (B) guaranteed by a satisfactory guarantor; or  
 4 (3) an irrevocable letter of credit issued by a banking  
 5 institution of Indiana acceptable to the commission.  
 6 (c) If a bond is furnished in cash or negotiable securities, the  
 7 principal shall be placed without restriction at the disposal of the  
 8 commission, but income inures to the benefit of the licensee.  
 9 (d) The bond:  
 10 (1) is subject to the approval of the commission;  
 11 (2) must be in an amount that the commission determines will  
 12 adequately reflect the amount that a local community will  
 13 expend for infrastructure and other facilities associated with  
 14 gambling games at the racetrack; and  
 15 (3) must be payable to the commission as obligee for use in  
 16 payment of the licensee's financial obligations to the local  
 17 community, the state, and other aggrieved parties, as  
 18 determined by the rules of the commission.  
 19 (e) If after a hearing (after at least five (5) days written notice)  
 20 the commission determines that the amount of a licensee's bond is  
 21 insufficient, the licensee shall upon written demand of the  
 22 commission file a new bond.  
 23 (f) The commission may require a licensee to file a new bond  
 24 with a satisfactory surety in the same form and amount if:  
 25 (1) liability on the old bond is discharged or reduced by  
 26 judgment rendered, payment made, or otherwise; or  
 27 (2) in the opinion of the commission any surety on the old  
 28 bond becomes unsatisfactory.  
 29 (g) If a new bond obtained under subsection (e) or (f) is  
 30 unsatisfactory, the commission shall cancel the licensee's license.  
 31 If the new bond is satisfactorily furnished, the commission shall  
 32 release in writing the surety on the old bond from any liability  
 33 accruing after the effective date of the new bond.  
 34 (h) The proceeds of a bond that is in default under this  
 35 subsection are paid to the commission for the benefit of the local  
 36 unit in which the racetrack is located.  
 37 (i) The total and aggregate liability of the surety on a bond is  
 38 limited to the amount specified in the bond, and the continuous  
 39 nature of the bond may in no event be construed as allowing the  
 40 liability of the surety under a bond to accumulate for each  
 41 successive approval period during which the bond is in force.  
 42 (j) The commission may adopt rules authorizing the release of

C  
o  
p  
y



1 a bond under this section.

2 Sec. 2.7. The commission may revoke a license under this  
3 chapter if:

- 4 (1) the licensee begins regular gambling game operations  
5 more than twelve (12) months after receiving the  
6 commission's approval of the application for the license; and  
7 (2) the commission determines that the revocation of the  
8 license is in the best interests of Indiana.

9 Sec. 2.8. A license to conduct gambling games:

- 10 (1) is a revocable privilege granted by the state; and  
11 (2) is not a property right.

12 Sec. 3. (a) A permit holder that is issued a gambling game  
13 license under this article must pay an initial licensing fee of four  
14 hundred million dollars (\$400,000,000). The fee required under this  
15 section must be paid to the commission before September 1, 2007.

16 (b) The commission shall deposit any initial licensing fees  
17 collected under this section into the state general fund.

18 Sec. 4. (a) An initial gambling game license expires ten (10)  
19 years after the effective date of the license. Unless the gambling  
20 game license is terminated or revoked, the gambling game license  
21 may be renewed annually thereafter upon:

- 22 (1) the payment of an annual renewal fee of one hundred  
23 dollars (\$100) per slot machine operated by the licensee; and  
24 (2) a determination by the commission that the licensee  
25 satisfies the conditions of this chapter.

26 Renewal fees paid under this section shall be deposited in the state  
27 general fund.

28 (b) An initial gambling game license must be held by the licensee  
29 for at least ten (10) years.

30 Sec. 4.5. A license issued under this article is null and void if the  
31 licensee permanently ends horse racing at the racetrack at which  
32 the licensee's slot machines are installed.

33 Sec. 5. (a) The commission shall conduct a complete  
34 investigation of each licensee every three (3) years to determine  
35 whether the licensee remains in compliance with this article.

36 (b) Notwithstanding subsection (a), the commission may  
37 investigate a licensee at any time the commission determines it is  
38 necessary to ensure that the licensee remains in compliance with  
39 this article.

40 Sec. 6. A permit holder or other person investigated under this  
41 chapter shall bear the cost of the investigation.

42 Sec. 7. (a) A licensee or any other person must apply for and

C  
o  
p  
y



1 receive the commission's approval before:

2 (1) a gambling game license is:

3 (A) transferred;

4 (B) sold; or

5 (C) purchased; or

6 (2) a voting trust agreement or other similar agreement is  
7 established with respect to the gambling game license.

8 (b) The commission shall adopt rules governing the procedure  
9 a licensee or other person must follow to take an action under  
10 subsection (a). The rules must specify that a person who obtains an  
11 ownership interest in a gambling game license must meet the  
12 criteria of this article and comply with the rules adopted by the  
13 commission. A licensee may transfer a gambling game license only  
14 in accordance with this article and the rules adopted by the  
15 commission.

16 (c) A person may not:

17 (1) lease;

18 (2) hypothecate; or

19 (3) borrow or loan money against;

20 a gambling game license.

21 (d) A transfer fee is imposed on a person who sells or otherwise  
22 relinquishes a controlling interest, as determined under the rules  
23 of the commission, in a gambling game license. The fee is equal to  
24 the greater of:

25 (1) zero (0); or

26 (2) the product of:

27 (A) five-tenths (0.5); multiplied by

28 (B) the result of:

29 (i) the amount of the selling price of the controlling  
30 interest; minus

31 (ii) four hundred million dollars (\$400,000,000).

32 Sec. 8. Except as otherwise provided in this chapter, the  
33 commission shall transfer:

34 (1) fees collected under this chapter; and

35 (2) all investigation costs recovered under this chapter;

36 to the treasurer of state for deposit in the state general fund.

### 37 Chapter 6. Slot Machine Suppliers

38 Sec. 1. The commission may issue a supplier's license under this  
39 chapter to a person if:

40 (1) the person has:

41 (A) applied for the supplier's license;

42 (B) paid a nonrefundable application fee set by the

C  
o  
p  
y



commission;

(C) paid a five thousand dollar (\$5,000) annual supplier's license fee; and

(D) submitted, on forms provided by the commission, two (2) sets of:

(i) the individual's fingerprints, if the applicant is an individual; or

(ii) fingerprints for each officer and director of the applicant, if the applicant is not an individual; and

(2) the commission has determined that the applicant is eligible for a supplier's license.

**Sec. 2. A person may not receive a supplier's license under this chapter if:**

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a supplier's license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); or

(B) participates in the management or operation of gambling games at racetracks authorized under this article;

(6) the person owns more than a ten percent (10%) ownership interest in any other person holding a permit issued under IC 4-31; or

(7) a license issued to the person:

(A) under this article;

(B) under IC 4-33-7; or

(C) to supply gaming supplies in another jurisdiction; has been revoked.

**Sec. 3. A holder of a supplier's license may:**

(1) sell;

(2) lease; or

(3) contract to sell or lease;

a slot machine to a licensee.

**Sec. 4. A person may not furnish slot machines to a licensee unless the person possesses a supplier's license.**

**C  
O  
P  
Y**



1       **Sec. 5. A slot machine may not be distributed for use under this**  
 2 **article unless the slot machine conforms to standards adopted by**  
 3 **the commission.**

4       **Sec. 6. (a) A supplier shall furnish to the commission a list of all**  
 5 **slot machines offered for sale or lease in connection with gambling**  
 6 **games authorized under this article.**

7       **(b) A supplier shall keep books and records for the furnishing**  
 8 **of slot machines to licensees. The books and records required**  
 9 **under this subsection must be kept separate from the books and**  
 10 **records of any other business operated by the supplier.**

11       **(c) A supplier shall file a quarterly return with the commission**  
 12 **listing all sales and leases.**

13       **(d) A supplier shall permanently affix the supplier's name to all**  
 14 **slot machines that the supplier provides to licensees under this**  
 15 **chapter.**

16       **Sec. 7. If the commission determines that a supplier's slot**  
 17 **machine has been used by a person in an unauthorized gambling**  
 18 **operation, the slot machine shall be forfeited to the state.**

19       **Sec. 8. Slot machines operated under this article may be:**

- 20       **(1) repaired on the premises of a racetrack; or**
- 21       **(2) removed for repair from the racetrack to a facility owned**  
 22 **by the licensee.**

23       **Sec. 9. (a) Unless a supplier's license is suspended, expires, or is**  
 24 **revoked, the supplier's license may be renewed annually upon:**

- 25       **(1) the payment of a five thousand dollar (\$5,000) annual**  
 26 **renewal fee; and**
- 27       **(2) a determination by the commission that the holder of the**  
 28 **supplier's license is in compliance with this article.**

29       **(b) The commission shall conduct a complete investigation of**  
 30 **each holder of a supplier's license every three (3) years to**  
 31 **determine whether the holder of the supplier's license is in**  
 32 **compliance with this article.**

33       **(c) Notwithstanding subsection (b), the commission may**  
 34 **investigate the holder of a supplier's license at any time the**  
 35 **commission determines it is necessary to ensure that the holder of**  
 36 **the supplier's license is in compliance with this article.**

37       **(d) The holder of a supplier's license shall bear the cost of an**  
 38 **investigation or a reinvestigation of the licensee and any**  
 39 **investigation resulting from a potential transfer of ownership.**

40       **Sec. 10. The commission shall transfer:**

- 41       **(1) fees collected under this chapter; and**
- 42       **(2) all investigation costs recovered under this chapter;**

**C**  
**O**  
**P**  
**Y**



1 to the treasurer of state for deposit in the state general fund.

2 **Chapter 6.5. Licensing of Occupations**

3 **Sec. 1. The commission shall determine the occupations related**  
 4 **to gambling games at racetracks that require a license under this**  
 5 **chapter.**

6 **Sec. 2. (a) The commission may issue an occupational license to**  
 7 **an individual if:**

- 8 (1) the individual has applied for the occupational license;
- 9 (2) a nonrefundable application fee set by the commission has  
 10 been paid on behalf of the applicant in accordance with  
 11 subsection (b);
- 12 (3) the commission has determined that the applicant is  
 13 eligible for an occupational license; and
- 14 (4) an annual license fee in an amount established by the  
 15 commission has been paid on behalf of the applicant in  
 16 accordance with subsection (b).

17 **(b) A permit holder that is an applicant for a license under this**  
 18 **article or that is issued a license under this article or a holder of a**  
 19 **supplier's license under this article shall pay the application fee of**  
 20 **an individual applying for an occupational license to work:**

- 21 (1) in an occupation related to gambling games at the permit  
 22 holder's racetrack; or
- 23 (2) for the holder of a supplier's license.

24 **A permit holder that is an applicant for a license under this article**  
 25 **or that is issued a license under this article or a holder of a**  
 26 **supplier's license under this article shall pay the annual**  
 27 **occupational license fee on behalf of an employee or potential**  
 28 **employee. A permit holder that is an applicant for a license under**  
 29 **this article or that is issued a license under this article or a holder**  
 30 **of a supplier's license under this article may seek reimbursement**  
 31 **of the application fee or annual license fee from an employee who**  
 32 **is issued an occupational license.**

33 **(c) A license issued under this chapter is valid for one (1) year**  
 34 **after the date of issuance.**

35 **(d) Unless an occupational license is suspended, expires, or is**  
 36 **revoked, the occupational license may be renewed annually upon:**

- 37 (1) the payment of an annual license fee by the permit holder  
 38 that is issued a license under this article or the holder of a  
 39 supplier's license under this article on behalf of the licensee in  
 40 an amount established by the commission; and
- 41 (2) a determination by the commission that the licensee is in  
 42 compliance with this article.

**C**  
**O**  
**P**  
**Y**





(e) The commission may investigate the holder of an occupational license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(f) A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article:

(1) shall pay the cost of an investigation or reinvestigation of a holder of an occupational license who is employed by the permit holder or holder of a supplier's license; and

(2) may seek reimbursement of the cost of an investigation or reinvestigation from an employee who holds an occupational license.

Sec. 3. Except as provided by section 11 of this chapter, the commission may not issue an occupational license to an individual unless the individual:

(1) is at least eighteen (18) years of age;

(2) has not been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(3) has demonstrated a level of skill or knowledge that the commission determines is necessary to operate gambling games at racetracks; and

(4) has met standards adopted by the commission for the holding of an occupational license.

Sec. 4. The commission shall adopt rules under IC 4-22-2 providing the following:

(1) That an individual applying for an occupational license to manage gambling games at racetracks under this article is subject to background inquiries and requirements similar to those required for an applicant for a license under IC 4-33-6.

(2) That each individual applying for an occupational license may manage gambling games for only one (1) licensee.

Sec. 5. (a) An application for an occupational license must:

(1) be made on forms prescribed by the commission; and

(2) contain all information required by the commission.

(b) An applicant for an occupational license must provide the following information in the application:

(1) If the applicant has held other licenses relating to gambling.

(2) If the applicant has been licensed in any other state under any other name. The applicant must provide under this subdivision the name under which the applicant was licensed

C  
o  
p  
y



1 in the other state.

2 (3) The applicant's age.

3 (4) If a permit or license issued to the applicant in another  
4 state has been suspended, restricted, or revoked. The  
5 applicant must describe the date and length of a suspension,  
6 restriction, or revocation described in this subdivision.

7 Sec. 6. An applicant for an occupational license must submit  
8 with the application two (2) sets of the applicant's fingerprints. The  
9 applicant must submit the fingerprints on forms provided by the  
10 commission. The commission shall charge each applicant a fee set  
11 by the state police department to defray the costs associated with  
12 the search and classification of the applicant's fingerprints.

13 Sec. 7. The commission may refuse to issue an occupational  
14 license to an individual who:

15 (1) is unqualified to perform the duties required of the  
16 applicant;

17 (2) does not disclose or states falsely any information required  
18 by the application;

19 (3) has been found guilty of a violation of this article;

20 (4) has had a gambling related license or an application for a  
21 gambling related license suspended, restricted, revoked, or  
22 denied for just cause in another state; or

23 (5) for just cause is considered by the commission to be unfit  
24 to hold an occupational license.

25 Sec. 8. The commission may suspend, revoke, or restrict an  
26 occupational licensee for the following reasons:

27 (1) A violation of this article.

28 (2) A cause that if known to the commission would have  
29 disqualified the applicant from receiving the occupational  
30 license.

31 (3) A default in the payment of an obligation or a debt due to  
32 the state.

33 (4) Any other just cause.

34 Sec. 9. (a) This article does not prohibit a permit holder that is  
35 issued a license from entering into an agreement with a school  
36 approved by the commission for the training of an occupational  
37 licensee.

38 (b) Training offered by a school described in subsection (a) must  
39 be:

40 (1) in accordance with a written agreement between the  
41 licensee and the school; and

42 (2) approved by the commission.

C  
o  
p  
y



1       **Sec. 10. Training provided for occupational licensees may be**  
 2 **conducted:**

3           (1) at a racetrack; or

4           (2) at a school with which a licensed owner or an operating  
 5 agent has entered into an agreement under section 9 of this  
 6 chapter.

7       **Sec. 11. (a) An individual who is disqualified under section 3(2)**  
 8 **of this chapter due to a conviction for a felony may apply to the**  
 9 **commission for a waiver of the requirements of section 3(2) of this**  
 10 **chapter.**

11       **(b) The commission may waive the requirements of section 3(2)**  
 12 **of this chapter with respect to an individual applying for an**  
 13 **occupational license if:**

14           (1) the individual qualifies for a waiver under subsection (e)  
 15 or (f); and

16           (2) the commission determines that the individual has  
 17 demonstrated by clear and convincing evidence the  
 18 individual's rehabilitation.

19       **(c) In determining whether the individual applying for the**  
 20 **occupational license has demonstrated rehabilitation under**  
 21 **subsection (b), the commission shall consider the following factors:**

22           (1) The nature and duties of the position applied for by the  
 23 individual.

24           (2) The nature and seriousness of the offense or conduct.

25           (3) The circumstances under which the offense or conduct  
 26 occurred.

27           (4) The date of the offense or conduct.

28           (5) The age of the individual when the offense or conduct was  
 29 committed.

30           (6) Whether the offense or conduct was an isolated or a  
 31 repeated incident.

32           (7) A social condition that may have contributed to the offense  
 33 or conduct.

34           (8) Evidence of rehabilitation, including good conduct in  
 35 prison or in the community, counseling or psychiatric  
 36 treatment received, acquisition of additional academic or  
 37 vocational education, successful participation in a  
 38 correctional work release program, or the recommendation  
 39 of a person who has or has had the individual under the  
 40 person's supervision.

41           (9) The complete criminal record of the individual.

42           (10) The prospective employer's written statement that:

**C**  
**O**  
**P**  
**Y**



(A) the employer has been advised of all of the facts and circumstances of the individual's criminal record; and

(B) after having considered the facts and circumstances, the prospective employer will hire the individual if the commission grants a waiver of the requirements of section 3(2) of this chapter.

(d) The commission may not waive the requirements of section 3(2) of this chapter for an individual who has been convicted of committing any of the following:

(1) A felony in violation of federal law (as classified in 18 U.S.C. 3559).

(2) A felony of fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction.

(3) A felony of conspiracy to commit a felony described in subdivision (1), (2), or (4) under the laws of Indiana or any other jurisdiction.

(4) A felony of gambling under IC 35-45-5 or IC 35-45-6 or a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a crime described in IC 35-45-5 or IC 35-45-6.

(e) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted of committing:

(A) a felony described in IC 35-42 against another human being or a felony described in IC 35-48-4;

(B) a felony under Indiana law that results in bodily injury, serious bodily injury, or death to another human being; or

(C) a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a felony described in clause (A) or (B); and

(2) ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(f) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted in Indiana or any other jurisdiction of committing a felony not described in subsection (d) or (e); and

(2) five (5) years have elapsed from the date the individual

C  
o  
p  
y



was discharged from probation, imprisonment, or parole,  
whichever is later, for the conviction described in subdivision  
(1).

(g) To enable a prospective employer to determine, for purposes  
of subsection (c)(10), whether the prospective employer has been  
advised of all of the facts and circumstances of the individual's  
criminal record, the commission shall notify the prospective  
employer of all information that the commission:

(1) has obtained concerning the individual; and

(2) is authorized to release under IC 5-14.

(h) The commission shall deny the individual's request to waive  
the requirements of section 3(2) of this chapter if the individual  
fails to disclose to both the commission and the prospective  
employer all information relevant to this section.

#### **Chapter 7. Conduct of Gambling Games at Racetracks**

**Sec. 1.** Gambling games authorized under this article may not  
be conducted anywhere other than a slot machine facility located  
at a racetrack.

**Sec. 2.** (a) A person who is less than twenty-one (21) years of age  
may not wager on a slot machine.

(b) Except as provided in subsection (c), a person who is less  
than twenty-one (21) years of age may not be present in the area of  
a racetrack where gambling games are conducted.

(c) A person who is at least eighteen (18) years of age and who  
is an employee of the racetrack may be present in the area of the  
racetrack where gambling games are conducted. However, an  
employee who is less than twenty-one (21) years of age may not  
perform any function involving gambling by the patrons of the  
licensee's slot machine facility.

**Sec. 3.** Minimum and maximum wagers on gambling games  
shall be determined by the licensee.

**Sec. 4.** The following may inspect a licensee's slot machine  
facility at any time to determine if this article is being violated:

(1) Employees of the commission.

(2) Officers of the state police department.

**Sec. 5.** Employees of the commission have the right to be present  
in a licensee's slot machine facility.

**Sec. 6.** A slot machine may be purchased or leased only from a  
supplier licensed under this article.

**Sec. 7.** Slot machine wagering is the only form of wagering  
permitted in a licensee's slot machine facility.

**Sec. 8.** Wagers may be received only from a person present in a

**C  
O  
P  
Y**



licensee's slot machine facility. A person present in a licensee's slot machine facility may not place or attempt to place a wager on behalf of a person who is not present in the licensee's slot machine facility.

Sec. 9. (a) A patron may make a slot machine wager at a racetrack only by means of:

- (1) a token or an electronic card purchased from a licensee at the licensee's racetrack; or
- (2) money or other negotiable currency.

(b) A token or an electronic card may be purchased by means of an agreement under which a licensee extends credit to the patron.

(c) All winnings and payoffs from a slot machine at a racetrack:

- (1) shall be made in tokens, electronic cards, paper tickets, or other evidence of winnings and payoffs approved by the commission; and
- (2) may not be made in money or other negotiable currency.

Sec. 10. A token or an electronic card described in section 10 of this chapter may be used by a patron while the patron is present at the racetrack only to make a wager on a slot machine authorized under this article.

Sec. 11. (a) A licensee may not install more than one thousand five hundred (1,500) slot machines on the premises of the licensee's racetrack.

(b) A slot machine authorized under this article may serve only one (1) person at a particular time.

Sec. 12. (a) The Indiana horse racing commission shall enforce the requirements of this section.

(b) In each state fiscal year a licensee shall before the fifteenth day of each month devote to the gaming integrity fund, horse racing purses, and to horsemen's associations an amount equal to fifteen percent (15%) of the adjusted gross receipts of the slot machine wagering from the previous month at the licensee's racetrack. The Indiana horse racing commission may not use any of this money for any administrative purpose or other purpose of the Indiana horse racing commission, and the entire amount of the money shall be distributed as provided in this section. A licensee shall pay the first two hundred fifty thousand dollars (\$250,000) distributed under this section in a state fiscal year to the commission for deposit in the gaming integrity fund established by IC 4-35-8.7-3. After this money has been distributed to the commission, a licensee shall distribute the remaining money

C  
o  
p  
y



devoted to horse racing purses and to horsemen's associations under this subsection as follows:

(1) Five-tenths percent (0.5%) shall be transferred to horsemen's associations for equine promotion or welfare according to the ratios specified in subsection (e).

(2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside benevolence according to the ratios specified in subsection (e).

(3) Ninety-seven percent (97%) shall be distributed to promote horses and horse racing as provided in subsection (d).

(c) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association. Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(d) A licensee shall distribute the amounts described in subsection (b)(3) as follows:

(1) Forty-six percent (46%) for thoroughbred purposes as follows:

(A) Sixty percent (60%) for the following purposes:

(i) Ninety-seven percent (97%) for thoroughbred purses.

(ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty percent (40%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.

(2) Forty-six percent (46%) for standardbred purposes as follows:

(A) Fifty percent (50%) for the following purposes:

(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.

(ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.

(B) Fifty percent (50%) to the breed development fund

**C  
O  
P  
Y**



established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

(A) Seventy percent (70%) for the following purposes:

(i) Ninety-five percent (95%) for quarter horse purses.

(ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:

(1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.

(2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.

(3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.

(f) Money distributed under this section may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:

(1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.

(2) The horsemen's association must register with the Indiana horse racing commission.

(3) The members of the horsemen's association must be licensed by the Indiana horse racing commission.

(g) The commission shall provide the Indiana horse racing commission with the information necessary to enforce this section.

(h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to comply with the horse racing

C  
o  
p  
y





1     purse requirements set forth in this section. If, after notice and a  
 2     hearing, the Indiana horse racing commission finds that a licensee  
 3     has failed to comply with the purse requirements set forth in this  
 4     section, the Indiana horse racing commission may:

- 5         (1) issue a warning to the licensee;
- 6         (2) impose a civil penalty that may not exceed one million  
 7         dollars (\$1,000,000); or
- 8         (3) suspend a meeting permit issued under IC 4-31-5 to  
 9         conduct a pari-mutuel wagering horse racing meeting in  
 10        Indiana.

11       (i) A civil penalty collected under this section must be deposited  
 12       in the state general fund.

13       Sec. 13. (a) The definitions in IC 3-5-2 apply to this section to the  
 14       extent they do not conflict with the definitions in this article.

15       (b) As used in this section, "candidate" refers to any of the  
 16       following:

- 17         (1) A candidate for a state office.
- 18         (2) A candidate for a legislative office.
- 19         (3) A candidate for a local office.

20       (c) As used in this section, "committee" refers to any of the  
 21       following:

- 22         (1) A candidate's committee.
- 23         (2) A regular party committee.
- 24         (3) A committee organized by a legislative caucus of the house  
 25         of the general assembly.
- 26         (4) A committee organized by a legislative caucus of the senate  
 27         of the general assembly.

28       (d) Money distributed under section 12 of this chapter may not  
 29       be used for any of the following purposes:

- 30         (1) To make a contribution to a candidate or a committee.
- 31         (2) For lobbying (as defined in IC 2-7-1-9).

32       Sec. 14. The commission may not prohibit a licensee from  
 33       allowing pari-mutuel wagering at the facility at which gambling  
 34       games are conducted under this article.

#### 35       Chapter 8. Taxation of Slot Machine Wagering

36       Sec. 1. (a) A graduated slot machine wagering tax is imposed as  
 37       follows on the adjusted gross receipts received from wagering on  
 38       gambling games authorized by this article:

- 39         (1) Twenty-five percent (25%) of the first one hundred million  
 40         dollars (\$100,000,000) of adjusted gross receipts received  
 41         during the period beginning July 1 of each year and ending  
 42         June 30 of the following year.

**C**  
**O**  
**P**  
**Y**



(2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(b) A licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

(e) The payment of the tax under this section must be on a form prescribed by the department.

Sec. 2. (a) The state racetrack gaming fund is established.

(b) The department shall deposit tax revenue collected under section 1 of this chapter in the state racetrack gaming fund.

(c) Money in the state racetrack gaming fund is continuously appropriated for the purposes of this chapter.

Sec. 3. Before the fifteenth day of each month, the treasurer of state shall distribute the tax revenue deposited in the state racetrack gaming fund in the preceding month to the state general fund.

#### Chapter 8.5. County Slot Machine Wagering Fee

Sec. 1. (a) Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a county slot machine wagering fee equal to two percent (2%) of the adjusted gross receipts received from slot machine wagering during the previous month at the licensee's racetrack. However, a licensee is not required to pay more than five million dollars (\$5,000,000) of county slot machine wagering fees under this section in any state fiscal year.

(b) The commission shall deposit the county slot machine wagering fee received by the commission into a separate account within the state general fund.

Sec. 2. Before the fifteenth day of each month, the treasurer of

C  
o  
p  
y



1 state shall distribute any county slot machine wagering fees  
 2 received from a licensee during the previous month to the county  
 3 auditor of the county in which the licensee's racetrack is located.

4 **Sec. 3.** The auditor of each county receiving a distribution of  
 5 county slot machine wagering fees under section 2 of this chapter  
 6 shall distribute the county slot machine wagering fees as follows:

7 (1) To each city located in the county according to the ratio  
 8 the city's population bears to the total population of the  
 9 county.

10 (2) To each town located in the county according to the ratio  
 11 the town's population bears to the total population of the  
 12 county.

13 (3) After the distributions required by subdivisions (1) and (2)  
 14 are made, the remainder shall be retained by the county.

15 **Sec. 4. (a)** As used in this section, "political subdivision" means  
 16 a county, city, or town.

17 **(b)** Money paid to a political subdivision under this chapter:

18 (1) must be paid to the fiscal officer of the political subdivision  
 19 and must be deposited in the political subdivision's general  
 20 fund;

21 (2) may not be used to reduce the political subdivision's  
 22 maximum levy under IC 6-1.1 but may be used at the  
 23 discretion of the political subdivision to reduce the property  
 24 tax levy of the political subdivision for a particular year;

25 (3) may be used for any purpose specified in this chapter or  
 26 for any other legal or corporate purpose of the political  
 27 subdivision, including the pledge of money to bonds, leases, or  
 28 other obligations under IC 5-1-14-4; and

29 (4) is considered miscellaneous revenue.

#### 30 **Chapter 8.7. Gaming Integrity Fee**

31 **Sec. 1.** As used in this chapter, "fund" means the gaming  
 32 integrity fund established by section 3 of this chapter.

33 **Sec. 2.** A licensee that offers slot machine wagering under this  
 34 article shall annually pay to the commission a gaming integrity fee  
 35 equal to two hundred fifty thousand dollars (\$250,000) for each  
 36 racetrack at which the licensee offers slot machine wagering. The  
 37 commission shall deposit gaming integrity fees in the fund.

38 **Sec. 3. (a)** The gaming integrity fund is established.

39 **(b)** The fund shall be administered by the commission.

40 **(c)** The fund consists of gaming integrity fees deposited in the  
 41 fund under this chapter and money distributed to the fund under  
 42 IC 4-35-7-12.

**C  
O  
P  
Y**



(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund may be used by the commission only for the following purposes:

(1) To pay the cost of analyzing equine specimens under IC 4-31-12-6(b).

(2) To pay dues to the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International.

(3) To provide grants for research for the advancement of equine drug testing. Grants under this subdivision must be approved by the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International or by the Racing Mediation and Testing Consortium.

#### **Chapter 8.8. Problem Gambling Fees**

Sec. 1. As used in this chapter, "division" refers to the division of mental health and addiction.

Sec. 2. A licensee that offers slot machine wagering at racetracks under this article shall annually pay to the division a problem gambling fee equal to five hundred thousand dollars (\$500,000) for each racetrack at which the licensee offers slot machine wagering.

Sec. 3. The division may use problem gambling fees paid to the division under this chapter only for the prevention and treatment of compulsive gambling that is related to slot machine wagering and other gambling allowed under IC 4-33.

Sec. 4. The problem gambling fees used by the division under this chapter for the prevention and treatment of compulsive gambling are in addition to any admissions tax revenue allocated by the division under IC 4-33-12-6 for the prevention and treatment of compulsive gambling.

#### **Chapter 8.9. Supplemental Fees**

Sec. 1. This chapter applies only to state fiscal years beginning after June 30, 2007, and ending before July 1, 2012.

Sec. 2. (a) Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a supplemental fee equal to one percent (1%) of the adjusted gross receipts received by the licensee from slot machine

**C  
o  
p  
y**



wagering.

(b) The commission shall deposit the supplemental fees into a separate account within the state general fund.

Sec. 3. Before the fifteenth day of each month, the treasurer of state shall distribute supplemental fees received under this chapter during the previous month in equal shares to the licensed owners or operating agent of each riverboat that first opens for business under IC 4-33 after June 30, 2006.

#### Chapter 9. Penalties

Sec. 1. This chapter applies only to gambling games authorized under this article.

Sec. 2. A person who knowingly or intentionally aids, induces, or causes a person who is:

- (1) less than twenty-one (21) years of age; and
- (2) not an employee of a licensee;

to enter or attempt to enter the licensee's slot machine facility commits a Class A misdemeanor.

Sec. 3. A person who:

- (1) is not an employee of a licensee;
- (2) is less than twenty-one (21) years of age; and
- (3) knowingly or intentionally enters the licensee's slot machine facility;

commits a Class A misdemeanor.

Sec. 4. A person who knowingly or intentionally:

- (1) makes a false statement on an application submitted under this article;
- (2) conducts a gambling game in a manner other than the manner required under this article; or
- (3) wagers or accepts a wager at a location other than a licensee's slot machine facility;

commits a Class A misdemeanor.

Sec. 5. A person who knowingly or intentionally does any of the following commits a Class D felony:

- (1) Offers, promises, or gives anything of value or benefit:
  - (A) to a person who is connected with a licensee, including an officer or employee of a licensee; and
  - (B) under an agreement to influence or with the intent to influence:
    - (i) the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game; or
    - (ii) an official action of a commission member.

C  
O  
P  
Y



(2) Solicits, accepts, or receives a promise of anything of value or benefit:

(A) while the person is connected with a licensee, including as an officer or employee of a licensee; and

(B) under an agreement to influence or with the intent to influence:

(i) the actions of the person to affect or attempt to affect the outcome of a gambling game; or

(ii) an official action of a commission member.

(3) Uses or possesses with the intent to use a device to assist in:

(A) projecting the outcome of a gambling game;

(B) analyzing the probability of the occurrence of an event related to a gambling game; or

(C) analyzing the strategy for playing or betting to be used in a gambling game, except as permitted by the commission.

(4) Cheats at a gambling game.

(5) Manufactures, sells, or distributes any game or device that is intended to be used to violate this article.

(6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before the outcome is revealed to the players.

(7) Places a bet on the outcome of a gambling game after acquiring knowledge that:

(A) is not available to all players; and

(B) concerns the outcome of the gambling game that is the subject of the bet.

(8) Aids a person in acquiring the knowledge described in subdivision (7) to place a bet contingent on the outcome of a gambling game.

(9) Claims, collects, takes, or attempts to claim, collect, or take money or anything of value in or from a gambling game:

(A) with the intent to defraud; or

(B) without having made a wager contingent on winning a gambling game.

(10) Claims, collects, or takes an amount of money or a thing of value that is of greater value than the amount won in a gambling game.

(11) Uses or possesses counterfeit tokens in or for use in a gambling game.

(12) Possesses a key or device designed for:

C  
o  
p  
y



- (A) opening, entering, or affecting the operation of a gambling game, a drop box, or an electronic or a mechanical device connected with the gambling game; or  
 (B) removing coins, tokens, or other contents of a gambling game.

This subdivision does not apply to a licensee or an employee of a licensee acting in the course of the employee's employment.

- (13) Possesses materials used to manufacture a slug or device intended to be used in a manner that violates this article.

#### **Chapter 10. Employment**

**Sec. 1. (a)** This section applies if a permit holder's employees are covered under the terms of a collective bargaining agreement that is in effect at the time a gambling game license is issued to the permit holder under IC 4-35-5.

**(b)** If a permit holder has nonsupervisory employees whose work is:

- (1) directly related to:

(A) pari-mutuel terminal operations; or

(B) money room functions associated with pari-mutuel wagering on horse racing; and

- (2) covered under the terms of a collective bargaining agreement;

the permit holder shall, subject to subsection (c), staff nonsupervisory positions directly related to the operation of gambling games under this article with employees whose work is covered under the terms of a collective bargaining agreement.

**(c)** The employees described in subsection (b) must be qualified to meet the licensing requirements of this article and any criteria required by the commission in rules adopted under IC 4-22-2.

**Sec. 2.** The job classifications, job duties, wage rates, and benefits of nonsupervisory positions related to gambling games may be established by agreement of the parties to a collective bargaining agreement or, in the absence of an agreement, by the permit holder.

#### **Chapter 11. Minority and Women's Business Participation**

**Sec. 1.** This chapter applies to persons holding a permit to operate a racetrack under IC 4-31-5 at which slot machines are licensed under this article.

**Sec. 2.** The general assembly declares that it is essential for minority and women's business enterprises to have the opportunity for full participation in the racetrack industry if minority and

**C  
o  
p  
y**



women's business enterprises are to obtain social and economic parity and if the economies of the cities, towns, and counties in which slot machines are operated at racetracks are to be stimulated as contemplated by this article.

Sec. 3. As used in this chapter, "minority" means a person who is one (1) of the following:

- (1) Black.
- (2) Hispanic.
- (3) Asian American.
- (4) Native American or Alaskan native.

Sec. 4. As used in this chapter, "minority business enterprise" means a business that is one (1) of the following:

- (1) A sole proprietorship owned and controlled by a minority.
- (2) A partnership or joint venture owned and controlled by minorities and in which:
  - (A) at least fifty-one percent (51%) of the ownership interest is held by at least one (1) minority; and
  - (B) the management and daily business operations are controlled by at least one (1) minority who also holds an ownership interest.
- (3) A corporation or other entity in which:
  - (A) at least fifty-one percent (51%) of:
    - (i) the ownership interest; or
    - (ii) the stock, if stock is issued;
 is held by at least one (1) minority; and
  - (B) the management and daily business operations are controlled by at least one (1) minority who also holds an ownership interest or stock.

Sec. 5. As used in this chapter, "women's business enterprise" means a business that is one (1) of the following:

- (1) A sole proprietorship owned and controlled by a woman.
- (2) A partnership or joint venture owned and controlled by women and in which:
  - (A) at least fifty-one percent (51%) of the ownership interest is held by at least one (1) woman; and
  - (B) the management and daily business operations are controlled by at least one (1) woman who also holds an ownership interest.
- (3) A corporation or other entity in which:
  - (A) at least fifty-one percent (51%) of:
    - (i) the ownership interest; or
    - (ii) the stock, if stock is issued;



C  
O  
P  
Y



1 is held by at least one (1) woman; and  
 2 (B) the management and daily business operations are  
 3 controlled by at least one (1) woman who also holds an  
 4 ownership interest or stock.

5 Sec. 6. (a) As used in this section, "goods and services" does not  
 6 include the following:

- 7 (1) Utilities and taxes.
- 8 (2) Financing costs, mortgages, loans, or other debt.
- 9 (3) Medical insurance.
- 10 (4) Fees and payments to a parent or an affiliated company of
- 11 a permit holder or other fees and payments for goods and
- 12 services supplied by nonaffiliated persons through an
- 13 affiliated company for the use or benefit of the permit holder.
- 14 (5) Rents paid for real property or payments constituting the
- 15 price of an interest in real property as a result of a real estate
- 16 transaction.

17 (b) Notwithstanding any law or rule to the contrary, the  
 18 commission shall establish goals for permit holders concerning  
 19 contracts for goods and services with minority business enterprises  
 20 and women's business enterprises. The goals under this subsection  
 21 must be equal to goals set by the commission under IC 4-33-14-5  
 22 for contracts awarded for goods or services.

23 (c) A permit holder shall submit quarterly reports to the  
 24 commission that outline the total dollar value of contracts awarded  
 25 for goods and services and the percentage of contracts awarded to  
 26 minority and women's business enterprises.

27 (d) A permit holder shall make a good faith effort to meet the  
 28 requirements of this section and shall quarterly, unless otherwise  
 29 directed by the commission, demonstrate to the commission at a  
 30 public meeting that an effort was made to meet the requirements.

31 (e) A permit holder may fulfill not more than seventy percent  
 32 (70%) of an obligation under this chapter by requiring a vendor to  
 33 set aside a part of a contract for minority or women's business  
 34 enterprises. Upon request, the permit holder shall provide the  
 35 commission with proof of the amount of the set aside.

36 Sec. 7. If the commission determines that the provisions of this  
 37 chapter relating to expenditures and assignments to minority and  
 38 women's business enterprises have not been met, the commission  
 39 may suspend, limit, or revoke the person's license or permit, or  
 40 may fine or impose appropriate conditions on the license or permit  
 41 to ensure that the goals for expenditures and assignments to  
 42 minority and women's business enterprises are met. However, if a

C  
o  
p  
y



determination is made that a permit holder has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

**Sec. 8.** The commission shall establish and administer a unified certification procedure for minority and women's business enterprises that do business with permit holders on contracts for goods and services or contracts for business.

**Sec. 9.** The commission shall supply permit holders with a list of minority and women's business enterprises the commission has certified under section 8 of this chapter. The commission shall review the list at least annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish procedures for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all concerned parties.

**Sec. 10.** The commission shall adopt other rules necessary to interpret and implement this chapter.

SECTION 22. IC 6-3-1-3.5, AS AMENDED BY P.L.184-2006, SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 24, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.
- (3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).
- (4) Subtract one thousand dollars (\$1,000) for:
  - (A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;
  - (B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and
  - (C) the spouse of the taxpayer if a separate return is made by

C  
o  
p  
y



the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) *for taxable years beginning after December 31, 2004*, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code ~~for taxable years beginning after December 31, 1996~~ *(as effective January 1, 2004)*; and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal

C  
o  
p  
y



gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income

**C  
O  
P  
Y**



that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States. **For taxable years beginning after December 31, 2007, the riverboat wagering tax under IC 4-33-13 is not considered a tax based on or measured by income.**

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income

C  
o  
p  
y



that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

*(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.*

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted

C  
o  
p  
y



gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income

**C  
o  
p  
y**



that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as

**C  
o  
p  
y**





defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500).

SECTION 23. IC 6-8.1-1-1, AS AMENDED BY P.L.162-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); **the slot machine wagering tax (IC 4-35-8)**; the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax

C  
o  
p  
y



(IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 24. IC 7.1-3-17.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may issue ~~an excursion and adjacent landsite~~ **a gaming site** permit to a person who has been issued:

- (1) a riverboat owner's license under IC 4-33-6; ~~or~~
- (2) an operating agent ~~(as defined in IC 4-33-2-14.5)~~ **contract under IC 4-33-6.5; or**
- (3) **a gambling game license under IC 4-35;**

to sell alcoholic beverages for on-premises consumption only. The permit may be a single permit even though more than one (1) area constitutes the licensed premises of the permit.

(b) A permit issued under this chapter may be used:

- (1) on the riverboat; and
- (2) in a restaurant owned by the person who has been issued a riverboat owner's license or an operating agent contract (as defined in IC 4-33-2-14.6) if the restaurant is located on property adjacent to the property used by the riverboat for docking purposes.

SECTION 25. IC 7.1-3-17.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The commission shall issue ~~an excursion and adjacent landsite~~ **a gaming site** permit without regard to the quota provisions of IC 7.1-3-22.

SECTION 26. IC 7.1-3-17.5-3 IS AMENDED TO READ AS

C  
o  
p  
y



1 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. ~~An excursion~~  
 2 ~~adjacent landsite~~ **A gaming site** permit is not subject to the fee  
 3 limitations otherwise set forth in IC 7.1.

4 SECTION 27. IC 7.1-3-17.5-4 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. The commission may  
 6 adopt emergency rules under IC 4-22-2-37.1 concerning the following  
 7 for ~~an excursion and adjacent landsite~~ **a gaming site** permit:

- 8 (1) Issuance.
- 9 (2) Scope.
- 10 (3) Permit fee.
- 11 (4) Expiration.
- 12 (5) Revocation and suspension.

13 SECTION 28. IC 7.1-3-17.5-5 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The commission may  
 15 adopt rules under IC 4-22-2 concerning the following for ~~an excursion~~  
 16 ~~permit and an adjacent landsite~~ **a gaming site** permit:

- 17 (1) Issuance.
- 18 (2) Scope.
- 19 (3) Permit fee.
- 20 (4) Expiration.
- 21 (5) Revocation and suspension.

22 SECTION 29. IC 7.1-3-17.5-6 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Notwithstanding  
 24 IC 7.1-5-5-7, the holder of ~~an excursion and adjacent landsite~~ **a gaming**  
 25 **site** permit may, subject to the approval of the commission, provide  
 26 alcoholic beverages to guests without charge at an event on the  
 27 licensed premises if all the following requirements are met:

- 28 (1) The event is attended by not more than six hundred fifty (650)  
 29 guests.
- 30 (2) The event is not more than six (6) hours in duration.
- 31 (3) Each alcoholic beverage dispensed to a guest:  
 32 (A) is entered into a cash register that records and itemizes on  
 33 the cash register tape each alcoholic beverage dispensed; and  
 34 (B) is entered into a cash register as a sale and at the same  
 35 price that is charged to the general public.
- 36 (4) At the conclusion of the event, all alcoholic beverages  
 37 recorded on the cash register tape are paid by the holder of the  
 38 ~~excursion and adjacent landsite~~ **gaming site** permit.
- 39 (5) All records of the alcoholic beverage sales, including the cash  
 40 register tape, shall be maintained by the holder of the ~~excursion~~  
 41 ~~and adjacent landsite~~ **gaming site** permit for not less than two (2)  
 42 years.

C  
o  
p  
y



(6) The holder of the ~~excursion and adjacent landsite~~ gaming site permit complies with the rules of the commission.

SECTION 30. IC 7.1-3-17.7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) **Except as provided in subsection (c)**, the commission may issue a horse track permit to a person who has been issued a recognized meeting permit under IC 4-31-5 to sell alcoholic beverages for on-premises consumption only. The permit may be a single permit even though more than one (1) area constitutes the licensed premises of the permit.

(b) The commission may issue a satellite facility permit to a person who has been issued a satellite facility license under IC 4-31-5.5 to sell alcoholic beverages for on-premises consumption only.

**(c) This chapter does not apply to a slot machine facility licensed under IC 4-35.**

SECTION 31. IC 7.1-3-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The provisions of sections 4, 5, 5.2, and 5.4 of this chapter concerning retail and dealer partnerships, corporations, limited partnerships, and limited liability companies shall not apply to the issuance of:

- (1) a dining car permit;
- (2) a boat permit;
- (3) a drug store permit;
- (4) a grocery store permit;
- (5) a hotel permit;
- (6) an airplane permit;
- (7) ~~an excursion and adjacent landsite~~ a gaming site permit;
- (8) a horse track permit;
- (9) a satellite facility permit; or
- (10) a retail permit to an establishment:
  - (A) that is sufficiently served by adequate law enforcement at its permit location; and
  - (B) whose annual gross food sales at the permit location:
    - (i) exceed one hundred thousand dollars (\$100,000); or
    - (ii) in the case of a new application and as proved by the applicant to the local board and the commission, will exceed two hundred thousand dollars (\$200,000) by the end of the two (2) year period from the date of the issuance of the permit.

(b) The commission shall not issue a permit listed in subsection (a) to a foreign:

- (1) corporation;
- (2) limited partnership; or

C  
o  
p  
y



(3) limited liability company;  
that is not duly qualified to do business in Indiana.

SECTION 32. IC 7.1-5-5-7, AS AMENDED BY P.L.224-2005, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) It is unlawful for a permittee in a sale or contract to sell alcoholic beverages to discriminate between purchasers by granting a price, discount, allowance, or service charge which is not available to all purchasers at the same time. However, this section does not authorize or require a permittee to sell to a person to whom the permittee is not authorized to sell under this title.

(b) A premises that operates at least two (2) restaurants that are separate and distinct from each other on the same premises may provide for a different schedule of prices in each restaurant if each restaurant conforms to all other laws and rules of the commission regarding pricing and price discrimination in its separate and distinct areas.

(c) This section does not apply to the holder of ~~an excursion and adjacent landsite~~ **a gaming site** permit that complies with IC 7.1-3-17.5-6.

(d) Notwithstanding subsection (a), a beer wholesaler may offer a special discount price to a beer dealer or beer retailer for beer or flavored malt beverage, if the beer or flavored malt beverage:

- (1) is a brand or package the beer wholesaler has discontinued; or
- (2) will expire in not more than:

(A) twenty (20) days for packaged beer or packaged flavored malt beverage; and

(B) ten (10) days for draft beer or draft flavored malt beverage.

(e) The special discount under subsection (d) only applies to beer or flavored malt beverage that will expire and be subject to removal from retailer or dealer shelves in accordance with the primary source of supply's coding data clearly identified on the container.

(f) Any beer or flavored malt beverage sold at a special discount price under subsection (d) shall be accompanied by an invoice clearly designating, in addition to all other information required by law, all the following information:

- (1) The date of delivery.
- (2) The expiration date of each brand, package type, and quantity delivered.
- (3) The per unit price for each package.

SECTION 33. IC 35-45-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in subsection (b), a person who:

C  
o  
p  
y



(1) knowingly or intentionally owns, manufactures, possesses, buys, sells, rents, leases, repairs, or transports a gambling device, or offers or solicits an interest in a gambling device;

(2) before a race, game, contest, or event on which gambling may be conducted, knowingly or intentionally transmits or receives gambling information by any means, or knowingly or intentionally installs or maintains equipment for the transmission or receipt of gambling information; or

(3) having control over the use of a place, knowingly or intentionally permits another person to use the place for professional gambling;

commits promoting professional gambling, a Class D felony.

(b) Subsection (a)(1) does not apply to a boat manufacturer who:

(1) transports or possesses a gambling device solely for the purpose of installing that device in a boat that is to be sold and transported to a buyer; and

(2) does not display the gambling device to the general public or make the device available for use in Indiana.

(c) When a public utility is notified by a law enforcement agency acting within its jurisdiction that any service, facility, or equipment furnished by it is being used or will be used to violate this section, it shall discontinue or refuse to furnish that service, facility, or equipment, and no damages, penalty, or forfeiture, civil or criminal, may be found against a public utility for an act done in compliance with such a notice. This subsection does not prejudice the right of a person affected by it to secure an appropriate determination, as otherwise provided by law, that the service, facility, or equipment should not be discontinued or refused, or should be restored.

**(d) Subsection (a)(1) does not apply to a person who:**

**(1) possesses an antique slot machine;**

**(2) restricts display and use of the antique slot machine to the person's private residence; and**

**(3) does not use the antique slot machine for profit.**

**(e) As used in this section, "antique slot machine" refers to a slot machine that is:**

**(1) at least forty (40) years old; and**

**(2) possessed and used for decorative, historic, or nostalgic purposes.**

SECTION 34. IC 35-45-5-7, AS AMENDED BY P.L.91-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other

C  
o  
p  
y



information concerning:

- (1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; ~~or~~
- (2) a game of chance operated in accordance with IC 4-32.2; **or**
- (3) a gambling game operated in accordance with IC 4-35.**

SECTION 35. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11. This chapter does not apply to a gambling game authorized by IC 4-35.**

SECTION 36. [EFFECTIVE UPON PASSAGE] (a) **If the Indiana gaming commission determines that a permit holder (as defined in IC 4-35-2-7, as added by this act) has met the requirements of this act, the Indiana gaming commission shall adopt a resolution authorizing the permit holder to conduct gambling games under IC 4-35, as added by this act. The Indiana gaming commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.**

(b) **Subject to subsection (c), the Indiana gaming commission shall authorize a permit holder to conduct gambling games in a temporary facility upon the Indiana gaming commission's approval of the permit holder's plans for a permanent facility. Gambling games may be conducted in a temporary facility under this SECTION for twenty-four (24) months or for a longer time as determined by the Indiana gaming commission.**

(c) **The Indiana gaming commission may not approve gambling games in a temporary facility under this SECTION unless the temporary facility is located at a permit holder's race track or on real estate that is adjacent to the permit holder's race track.**

(d) **This SECTION expires January 1, 2010.**

SECTION 37. [EFFECTIVE JULY 1, 2007] **The department of state revenue may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement IC 4-33-13-1.7, as added by this act. A temporary rule adopted under this SECTION expires on the earliest of the following:**

- (1) **The date specified in the temporary rule.**
- (2) **The date that another temporary rule adopted under this SECTION or a rule adopted under IC 4-22-2 supersedes or repeals the temporary rule.**
- (3) **July 1, 2008.**

SECTION 38. **An emergency is declared for this act.**

**C  
o  
p  
y**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1835, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning gaming and to make an appropriation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1835 as introduced.)

VAN HAAFTEN, Chair

Committee Vote: yeas 9, nays 3.

C  
o  
p  
y

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1835, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 18, between lines 41 and 42, begin a new paragraph and insert:

**"Sec. 6. "Gaming agent" means an individual described in IC 4-33-4.5."**

Page 18, line 42, delete "6." and insert "7."

Page 19, line 2, delete "7." and insert "8."

Page 19, line 4, delete "8." and insert "9."

Page 19, line 6, delete "9." and insert "10."

Page 19, line 35, delete "Adopt appropriate standards for" and insert **"Approve"**.

Page 20, between lines 7 and 8, begin a new paragraph and insert:

**"Sec. 4. The commission shall be present through the commission's gaming agents during the time gambling games are being conducted at a racetrack to do the following:**

**(1) Certify the revenue received by a racetrack from gambling games.**

**(2) Receive complaints from the public concerning the operation of gambling games.**

EH 1835—LS 6529/DI 44+





**(3) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.**

**Sec. 5. The commission shall employ gaming agents to perform duties imposed by this article. A licensee shall, under rules adopted by the commission under IC 4-22-2, reimburse the commission for:**

- (1) training expenses incurred to train gaming agents;**
- (2) salaries and other expenses of staff required to support the gaming agents; and**
- (3) salaries and other expenses of the gaming agents required to be present during the time gambling games are being conducted at a racetrack."**

Page 20, line 8, delete "4." and insert "6."

Page 27, line 5, delete "twenty percent (20%)" and insert **"five percent (5%)"**.

Page 27, line 9, delete "twenty percent (20%)" and insert **"five percent (5%)"**.

Page 27, between lines 11 and 12, begin a new line block indented and insert:

**"(3) An amount equal to fifteen percent (15%) of the tax revenue remitted under this chapter in the previous month to the local revenue sharing fund established under section 9 of this chapter."**

Page 27, line 12, delete "(3)" and insert "(4)".

Page 28, between lines 14 and 15, begin a new paragraph and insert:

**"Sec. 9. (a) The local revenue sharing fund is established. The revenue sharing fund shall be administered by the treasurer of state. Money in the local revenue sharing fund does not revert to the state general fund at the end of a state fiscal year.**

**(b) Money transferred to the local revenue sharing fund under section 5 of this chapter must be distributed to cities, counties, and towns in the same manner as the revenue sharing provided for under IC 4-33-13-5(e).**

**(c) Money received under this section may be used in the same manner as money received under IC 4-33-13-5(e).**

**(d) Money in the local revenue sharing fund is appropriated continuously for the purposes of this section."**

Page 30, between lines 41 and 42, begin a new paragraph and insert:

**"Chapter 11. Minority and Women's Business Participation**

**Sec. 1. This chapter applies to persons holding a permit to operate a racetrack under IC 4-31-5 at which slot machines are licensed under this article.**

**C  
o  
p  
y**



**Sec. 2. The general assembly declares that it is essential for minority and women's business enterprises to have the opportunity for full participation in the racetrack industry if minority and women's business enterprises are to obtain social and economic parity and if the economies of the cities, towns, and counties in which slot machines are operated at racetracks are to be stimulated as contemplated by this article.**

**Sec. 3. As used in this chapter, "minority" means a person who is one (1) of the following:**

- (1) Black.**
- (2) Hispanic.**
- (3) Asian American.**
- (4) Native American or Alaskan native.**

**Sec. 4. As used in this chapter, "minority business enterprise" means a business that is one (1) of the following:**

- (1) A sole proprietorship owned and controlled by a minority.**
- (2) A partnership or joint venture owned and controlled by minorities and in which:**
  - (A) at least fifty-one percent (51%) of the ownership interest is held by at least one (1) minority; and**
  - (B) the management and daily business operations are controlled by at least one (1) minority who also holds an ownership interest.**
- (3) A corporation or other entity in which:**
  - (A) at least fifty-one percent (51%) of:**
    - (i) the ownership interest; or**
    - (ii) the stock, if stock is issued;**
  - is held by at least one (1) minority; and**
  - (B) the management and daily business operations are controlled by at least one (1) minority who also holds an ownership interest or stock.**

**Sec. 5. As used in this chapter, "women's business enterprise" means a business that is one (1) of the following:**

- (1) A sole proprietorship owned and controlled by a woman.**
- (2) A partnership or joint venture owned and controlled by women and in which:**
  - (A) at least fifty-one percent (51%) of the ownership interest is held by at least one (1) woman; and**
  - (B) the management and daily business operations are controlled by at least one (1) woman who also holds an ownership interest.**
- (3) A corporation or other entity in which:**

**C  
O  
P  
Y**



- (A) at least fifty-one percent (51%) of:
  - (i) the ownership interest; or
  - (ii) the stock, if stock is issued;
 is held by at least one (1) woman; and
- (B) the management and daily business operations are controlled by at least one (1) woman who also holds an ownership interest or stock.

**Sec. 6. (a)** As used in this section, "goods and services" does not include the following:

- (1) Utilities and taxes.
- (2) Financing costs, mortgages, loans, or other debt.
- (3) Medical insurance.
- (4) Fees and payments to a parent or an affiliated company of a permit holder or other fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the permit holder.
- (5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

**(b)** Notwithstanding any law or rule to the contrary, a permit holder shall establish goals of expending at least:

- (1) fifteen percent (15%) of the dollar value of the permit holder's contracts for goods and services with minority business enterprises; and
- (2) seven and one-half percent (7.5%) of the dollar value of the permit holder's contracts for goods and services with women's business enterprises.

**(c)** A permit holder shall submit quarterly reports to the commission that outline the total dollar value of contracts awarded for goods and services and the percentage of contracts awarded to minority and women's business enterprises.

**(d)** A permit holder shall make a good faith effort to meet the requirements of this section and shall quarterly, unless otherwise directed by the commission, demonstrate to the commission at a public meeting that an effort was made to meet the requirements.

**(e)** A permit holder may fulfill not more than seventy percent (70%) of an obligation under this chapter by requiring a vendor to set aside a part of a contract for minority or women's business enterprises. Upon request, the permit holder shall provide the commission with proof of the amount of the set aside.

**Sec. 7.** If the commission determines that the provisions of this chapter relating to expenditures and assignments to minority and

**C  
O  
P  
Y**



women's business enterprises have not been met, the commission may suspend, limit, or revoke the person's license or permit, or may fine or impose appropriate conditions on the license or permit to ensure that the goals for expenditures and assignments to minority and women's business enterprises are met. However, if a determination is made that a permit holder has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

**Sec. 8.** The commission shall establish and administer a unified certification procedure for minority and women's business enterprises that do business with permit holders on contracts for goods and services or contracts for business.

**Sec. 9.** The commission shall supply permit holders with a list of minority and women's business enterprises the commission has certified under section 8 of this chapter. The commission shall review the list at least annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish procedures for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all concerned parties.

**Sec. 10.** The commission shall adopt other rules necessary to interpret and implement this chapter."

Page 31, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 16. IC 7.1-3-17.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may issue ~~an excursion and adjacent landsite~~ **a gaming site** permit to a person who has been issued:

- (1) a riverboat owner's license under IC 4-33-6; ~~or~~
- (2) an operating agent ~~(as defined in IC 4-33-2-14.5)~~ **contract under IC 4-33-6.5; or**
- (3) **a gambling game license under IC 4-35;**

to sell alcoholic beverages for on-premises consumption only. The permit may be a single permit even though more than one (1) area constitutes the licensed premises of the permit.

(b) A permit issued under this chapter may be used:

- (1) on the riverboat; and
- (2) in a restaurant owned by the person who has been issued a riverboat owner's license or an operating agent contract (as defined in IC 4-33-2-14.6) if the restaurant is located on property adjacent to the property used by the riverboat for docking

C  
O  
P  
Y



purposes.

SECTION 17. IC 7.1-3-17.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. The commission shall issue ~~an excursion and adjacent landsite~~ **a gaming site** permit without regard to the quota provisions of IC 7.1-3-22.

SECTION 18. IC 7.1-3-17.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. ~~An excursion adjacent landsite~~ **A gaming site** permit is not subject to the fee limitations otherwise set forth in IC 7.1.

SECTION 19. IC 7.1-3-17.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. The commission may adopt emergency rules under IC 4-22-2-37.1 concerning the following for ~~an excursion and adjacent landsite~~ **a gaming site** permit:

- (1) Issuance.
- (2) Scope.
- (3) Permit fee.
- (4) Expiration.
- (5) Revocation and suspension.

SECTION 20. IC 7.1-3-17.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. The commission may adopt rules under IC 4-22-2 concerning the following for ~~an excursion permit and an adjacent landsite~~ **a gaming site** permit:

- (1) Issuance.
- (2) Scope.
- (3) Permit fee.
- (4) Expiration.
- (5) Revocation and suspension.

SECTION 21. IC 7.1-3-17.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. Notwithstanding IC 7.1-5-5-7, the holder of ~~an excursion and adjacent landsite~~ **a gaming site** permit may, subject to the approval of the commission, provide alcoholic beverages to guests without charge at an event on the licensed premises if all the following requirements are met:

- (1) The event is attended by not more than six hundred fifty (650) guests.
- (2) The event is not more than six (6) hours in duration.
- (3) Each alcoholic beverage dispensed to a guest:
  - (A) is entered into a cash register that records and itemizes on the cash register tape each alcoholic beverage dispensed; and
  - (B) is entered into a cash register as a sale and at the same price that is charged to the general public.
- (4) At the conclusion of the event, all alcoholic beverages

C  
o  
p  
y



recorded on the cash register tape are paid by the holder of the ~~excursion and adjacent landsite gaming site~~ permit.

(5) All records of the alcoholic beverage sales, including the cash register tape, shall be maintained by the holder of the ~~excursion and adjacent landsite gaming site~~ permit for not less than two (2) years.

(6) The holder of the ~~excursion and adjacent landsite gaming site~~ permit complies with the rules of the commission.

SECTION 22. IC 7.1-3-17.7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) **Except as provided in subsection (c),** the commission may issue a horse track permit to a person who has been issued a recognized meeting permit under IC 4-31-5 to sell alcoholic beverages for on-premises consumption only. The permit may be a single permit even though more than one (1) area constitutes the licensed premises of the permit.

(b) The commission may issue a satellite facility permit to a person who has been issued a satellite facility license under IC 4-31-5.5 to sell alcoholic beverages for on-premises consumption only.

**(c) This chapter does not apply to a slot machine facility licensed under IC 4-35.**

SECTION 23. IC 7.1-3-21-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The provisions of sections 4, 5, 5.2, and 5.4 of this chapter concerning retail and dealer partnerships, corporations, limited partnerships, and limited liability companies shall not apply to the issuance of:

- (1) a dining car permit;
- (2) **a** boat permit;
- (3) **a** drug store permit;
- (4) **a** grocery store permit;
- (5) **a** hotel permit;
- (6) **an** airplane permit;
- (7) ~~an excursion and adjacent landsite~~ **a gaming site** permit;
- (8) a horse track permit;
- (9) a satellite facility permit; or
- (10) a retail permit to an establishment:
  - (A) that is sufficiently served by adequate law enforcement at its permit location; and
  - (B) whose annual gross food sales at the permit location:
    - (i) exceed one hundred thousand dollars (\$100,000); or
    - (ii) in the case of a new application and as proved by the applicant to the local board and the commission, will exceed two hundred thousand dollars (\$200,000) by the end of the

C  
o  
p  
y



two (2) year period from the date of the issuance of the permit.

(b) The commission shall not issue a permit listed in subsection (a) to a foreign:

- (1) corporation;
- (2) limited partnership; or
- (3) limited liability company;

that is not duly qualified to do business in Indiana.

SECTION 24. IC 7.1-5-5-7, AS AMENDED BY P.L.224-2005, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) It is unlawful for a permittee in a sale or contract to sell alcoholic beverages to discriminate between purchasers by granting a price, discount, allowance, or service charge which is not available to all purchasers at the same time. However, this section does not authorize or require a permittee to sell to a person to whom the permittee is not authorized to sell under this title.

(b) A premises that operates at least two (2) restaurants that are separate and distinct from each other on the same premises may provide for a different schedule of prices in each restaurant if each restaurant conforms to all other laws and rules of the commission regarding pricing and price discrimination in its separate and distinct areas.

(c) This section does not apply to the holder of ~~an excursion and adjacent landsite~~ a **gaming site** permit that complies with IC 7.1-3-17.5-6.

(d) Notwithstanding subsection (a), a beer wholesaler may offer a special discount price to a beer dealer or beer retailer for beer or flavored malt beverage, if the beer or flavored malt beverage:

- (1) is a brand or package the beer wholesaler has discontinued; or
- (2) will expire in not more than:
  - (A) twenty (20) days for packaged beer or packaged flavored malt beverage; and
  - (B) ten (10) days for draft beer or draft flavored malt beverage.

(e) The special discount under subsection (d) only applies to beer or flavored malt beverage that will expire and be subject to removal from retailer or dealer shelves in accordance with the primary source of supply's coding data clearly identified on the container.

(f) Any beer or flavored malt beverage sold at a special discount price under subsection (d) shall be accompanied by an invoice clearly designating, in addition to all other information required by law, all the following information:

- (1) The date of delivery.

C  
O  
P  
Y



(2) The expiration date of each brand, package type, and quantity delivered.

(3) The per unit price for each package."

Page 32, line 15, delete "eighteen (18) months." and insert **"twenty-four (24) months."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1835 as printed February 16, 2007.)

CRAWFORD, Chair

Committee Vote: yeas 14, nays 8.

---

#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 12, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 12. IC 4-33-13-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 1.7. (a) This section applies only to an operating agent operating a riverboat in a historic hotel district.**

**(b) This section applies to a state fiscal year beginning after June 30, 2007, and ending before July 1, 2012.**

**(c) An operating agent is entitled to a daily credit against the operating agent's wagering tax liability under section 1.5 of this chapter. The amount of the credit allowed under this section for a particular day is equal to the amount of admissions taxes remitted by the operating agent for that day.**

**(d) A credit allowed under this section for a particular day must be claimed by subtracting the amount of admissions taxes remitted for that day from the amount of wagering taxes that must be remitted for that day. The credit must be claimed by the operating agent in the manner and form prescribed by the department on the operating agent's tax return or returns.**

**(e) If the amount of the credit determined under this section for a particular day exceeds the amount of wagering taxes remitted by the operating agent for that day, the amount of the excess may be carried forward to a later day."**

Page 39, between lines 20 and 21, begin a new paragraph and insert:

EH 1835—LS 6529/DI 44+



C  
o  
p  
y



**"SECTION 29. [EFFECTIVE JULY 1, 2007] The department of state revenue may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement IC 4-33-13-1.7, as added by this act. A temporary rule adopted under this SECTION expires on the earliest of the following:**

- (1) The date specified in the temporary rule.**
- (2) The date that another temporary rule adopted under this SECTION or a rule adopted under IC 4-22-2 supersedes or repeals the temporary rule.**
- (3) July 1, 2008."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 20, 2007.)

VAN HAAFTEN

---

#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 31, between lines 30 and 31, begin a new paragraph and insert:  
**"SECTION 16. IC 35-45-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Except as provided in subsection (b), a person who:**

- (1) knowingly or intentionally owns, manufactures, possesses, buys, sells, rents, leases, repairs, or transports a gambling device, or offers or solicits an interest in a gambling device;**
- (2) before a race, game, contest, or event on which gambling may be conducted, knowingly or intentionally transmits or receives gambling information by any means, or knowingly or intentionally installs or maintains equipment for the transmission or receipt of gambling information; or**
- (3) having control over the use of a place, knowingly or intentionally permits another person to use the place for professional gambling;**

**commits promoting professional gambling, a Class D felony.**

**(b) Subsection (a)(1) does not apply to a boat manufacturer who:**

- (1) transports or possesses a gambling device solely for the purpose of installing that device in a boat that is to be sold and transported to a buyer; and**
- (2) does not display the gambling device to the general public or**

**EH 1835—LS 6529/DI 44+**



**C  
o  
p  
y**

make the device available for use in Indiana.

(c) When a public utility is notified by a law enforcement agency acting within its jurisdiction that any service, facility, or equipment furnished by it is being used or will be used to violate this section, it shall discontinue or refuse to furnish that service, facility, or equipment, and no damages, penalty, or forfeiture, civil or criminal, may be found against a public utility for an act done in compliance with such a notice. This subsection does not prejudice the right of a person affected by it to secure an appropriate determination, as otherwise provided by law, that the service, facility, or equipment should not be discontinued or refused, or should be restored.

**(d) Subsection (a)(1) does not apply to a person who:**

- (1) possesses an antique slot machine;**
- (2) restricts display and use of the antique slot machine to the person's private residence; and**
- (3) does not use the antique slot machine for profit.**

**(e) As used in this section, "antique slot machine" refers to a slot machine that is:**

- (1) at least forty (40) years old; and**
- (2) possessed and used for decorative, historic, or nostalgic purposes."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 16, 2007.)

TORR

---

#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 2, between lines 23 and 24, begin a new paragraph and insert: "SECTION 1. IC 4-31-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) A person may not conduct, assist, or aid or abet in conducting a horse racing meeting in which the pari-mutuel system of wagering is permitted unless that person secures a recognized meeting permit under this chapter.

(b) The commission may not issue a recognized meeting permit for:

- (1) an activity other than horse racing meetings; or
- (2) horse racing meetings conducted at:
  - (A) the state fairgrounds during a state fair; or
  - (B) a county fairgrounds.

**EH 1835—LS 6529/DI 44+**



C  
o  
p  
y

However, subdivision (2) does not prohibit the commission from issuing a recognized meeting permit for races to be conducted at the state fairgrounds at times when a fair is not in session.

**(c) The commission may not issue more than two (2) recognized meeting permits under this chapter."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1835 as printed February 20, 2007.)

HARRIS T

---

#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 19, between lines 19 and 20, begin a new paragraph and insert:

**"Sec. 3. (a) This section does not apply to real or personal property taxes imposed by a local taxing unit.**

**(b) Local governmental authority concerning all matters relating to the gambling operations conducted under this article is preempted by the state under this article.**

**(c) No tax or fee, except as provided in this article, shall be assessed or collected from a permit holder by a political subdivision having the power to assess or collect a tax or fee.**

**(d) A political subdivision may not enter an agreement with a permit holder that requires any financial commitments from the permit holder that are in addition to the fees and taxes imposed under this article."**

(Reference is to HB 1835 as printed February 20, 2007.)

TURNER

---

#### HOUSE MOTION

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 26, line 12, after "imposed" insert **"at the rate of thirty-seven and five-tenths percent (37.5%)"**.

Page 26, line 14, after "article" insert ".".

Page 26, line 14, delete "at the rate of:".

EH 1835—LS 6529/DI 44+



C  
O  
P  
Y

Page 26, delete lines 15 through 22.  
 Page 27, line 32, delete "fifteen" and insert "**thirty-five**".  
 Page 27, line 32, delete "(15%)" and insert "**(35%)**".  
 (Reference is to HB 1835 as printed February 20, 2007.)

MOSES

---

### HOUSE MOTION

Mr. Speaker: I move that House Bill 1835 be amended to read as follows:

Page 20, line 42, delete "seventy-five" and insert "**one hundred**".  
 Page 21, line 1, delete "(\$75,000,000)." and insert "**(\$100,000,000).**".  
 Page 22, line 11, delete "seventy-five" and insert "**one hundred**".  
 Page 22, line 11, delete "(\$75,000,000)." and insert "**(\$100,000,000).**".

(Reference is to HB 1835 as printed February 20, 2007.)

MOSES

---

### COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1835, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.47-2006, SECTION 2, AS AMENDED BY P.L.91-2006, SECTION 2, AND AS AMENDED BY P.L.123-2006, SECTION 12, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

- (1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.



C  
o  
p  
y

- (2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- (3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.
- (4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.
- (5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.
- (6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.
- (7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.
- (8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.
- (9) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.
- (10) An emergency rule adopted by the Indiana finance authority under IC 8-21-12.
- (11) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.
- (12) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.
- (13) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:
  - (A) the variance procedures are included in the rules; and
  - (B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.
- (14) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.
- (15) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.
- (16) An emergency rule adopted by the Indiana gaming commission under *IC 4-32.2-3-3(b)*, IC 4-33-4-2, IC 4-33-4-3, ~~or~~ IC 4-33-4-14, **or IC 4-35-4-2.**
- (17) An emergency rule adopted by the alcohol and tobacco

C  
o  
p  
y



commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(18) An emergency rule adopted by the department of financial institutions under IC 28-15-11.

(19) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.

(20) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

(21) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.

(22) An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.

(23) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(24) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34 **(repealed)**.

(25) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33 **(repealed)**.

(26) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

(27) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) **(repealed)** or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) **(repealed)** or IC 6-1.1-22.5-20.

(28) An emergency rule adopted by the board of the Indiana economic development corporation under IC 5-28-5-8.

(29) A rule adopted by the department of financial institutions under IC 34-55-10-2.5.

(30) *A rule adopted by the Indiana finance authority:*

*(A) under IC 8-15.5-7 approving user fees (as defined in IC 8-15.5-2-10) provided for in a public-private agreement under IC 8-15.5;*

*(B) under IC 8-15-2-17.2(a)(10):*

*(i) establishing enforcement procedures; and*

*(ii) making assessments for failure to pay required tolls;*

*(C) under IC 8-15-2-14(a)(3) authorizing the use of and establishing procedures for the implementation of the collection of user fees by electronic or other nonmanual means; or*

*(D) to make other changes to existing rules related to a toll road project to accommodate the provisions of a public-private agreement under IC 8-15.5.*

C  
o  
p  
y



(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the ~~number of copies~~ format of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the ~~secretary of state publisher~~ for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The ~~secretary of state publisher~~ shall determine the ~~number of copies~~ format of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the ~~secretary of state publisher~~ shall:

(1) accept the rule for filing; and

(2) ~~file stamp and indicate electronically record~~ the date and time that the rule is accepted. ~~on every duplicate original copy submitted.~~

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in subsections (j), ~~and~~ (k), ~~and~~ (l), a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(13), (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. The extension period for a rule adopted under subsection (a)(28) may not exceed the period for which the original rule was in effect. A rule adopted under subsection (a)(13) may be extended for

C  
o  
p  
y



two (2) extension periods. Subject to subsection (j), a rule adopted under subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited number of extension periods. Except for a rule adopted under subsection (a)(13), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

- (1) sections 24 through 36 of this chapter; or
- (2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(8), (a)(12), or (a)(29) expires on the earlier of the following dates:

- (1) The expiration date stated by the adopting agency in the rule.
- (2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(24) or (a)(25) expires not later than January 1, 2006.

(k) A rule described in subsection (a)(28) expires on the expiration date stated by the board of the Indiana economic development corporation in the rule.

*(l) A rule described in subsection (a)(30) expires on the expiration date stated by the Indiana finance authority in the rule."*

Page 1, line 7, after "a" delete "slot" and insert **"type of electronic gaming device"**.

Page 1, line 8, delete "machine".

Page 2, line 21, delete "An ordinance adopted by the county fiscal body".

Page 2, delete lines 22 through 23, begin a new paragraph and insert:

**"(d) A person may not operate slot machines in a county under IC 4-35 unless the county fiscal body has adopted an ordinance permitting the operation of slot machines under IC 4-35 in the county."**

Page 2, line 41, reset in roman "and".

Page 2, line 41, after "and" insert **"(if the commission adopts a rule under subsection (c))"**.

Page 2, line 41, reset in roman "the number".

Page 3, line 3, delete "The" and insert **"Except as provided in subsection (c), the"**.

Page 3, line 3, delete "sixty" and **"forty"**.

Page 3, line 4, delete "(160)" and insert **"(140)"**.

Page 3, line 6, delete "One hundred (100)" and insert **"Ninety (90)"**.

C  
o  
p  
y





Page 3, line 8, delete "Sixty (60)" and insert **"Fifty (50)"**.

Page 3, between lines 16 and 17, begin a new paragraph and insert:

**"(c) The commission may by rule adjust any of the following:**

**(1) The total required number of live racing days under subsection (b).**

**(2) The number of live racing days required under subsection (b)(1).**

**(3) The number of live racing days required under subsection (b)(2)."**

Page 3, line 23, delete "Subject to subsection (c), the" and insert "The".

Page 4, delete lines 27 through 29.

Page 5, between lines 28 and 29, begin a new paragraph and insert:

**"SECTION 11. IC 4-33-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. This article applies only to the following:**

**(1) Counties contiguous to Lake Michigan.**

**(2) ~~Counties~~ A county that is:**

**(A) contiguous to the Ohio River; and**

**(B) described in IC 4-33-6-1(a)(5).**

**(3) A county that contains a historic hotel district.**

**SECTION 12. IC 4-33-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. "Riverboat" means either of the following on which lawful gambling is authorized under this article:**

**(1) A ~~self-propelled excursion boat vessel~~ located in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) that complies with IC 4-33-6-6(a).**

**(2) A vessel located in a historic hotel district.**

**A riverboat is not required to be self-propelled or otherwise have a functioning motor."**

Page 5, between lines 33 and 34, begin a new paragraph and insert:

**"SECTION 14. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) The commission may issue to a person a license to own a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, section 3.5 of this chapter, and IC 4-33-4-17. However, not more than ten (10) owner's licenses may be in effect at any time. Except as provided in subsection (b), those ten (10) licenses are as follows:**

**(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).**

C  
o  
p  
y



(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from **the following** counties: ~~described under IC 4-33-1-1(2).~~

**(A) Vanderburgh County.**

**(B) Harrison County.**

**(C) Switzerland County.**

**(D) Ohio County.**

**(E) Dearborn County.**

The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in ~~IC 4-33-1-1(2)~~; **this subdivision.**

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

- (1) does not already have a riverboat operating from the city; and
- (2) is located in a county described in IC 4-33-1-1(1).

(c) In addition to its power to issue owner's licenses under subsection (a), the commission may also enter into a contract under IC 4-33-6.5 with respect to the operation of one (1) riverboat on behalf of the commission in a historic hotel district.

**(d) A person holding an owner's license may not move the person's riverboat from the location at which the riverboat was docked on January 1, 2007, to any other location.**

SECTION 15. IC 4-33-6-6, AS AMENDED BY P.L.170-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) A riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

(1) have either:

- (A) a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500)

C  
o  
p  
y



passengers; or

(B) a valid certificate of compliance with marine structural and life safety standards determined by the commission; and

(2) be at least one hundred fifty (150) feet in length.

**However, a riverboat is not required to be self-propelled or otherwise have a functioning motor.**

(b) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

SECTION 16. IC 4-33-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) This subsection does not apply to a riverboat that has implemented flexible scheduling under IC 4-33-6-21. A tax is imposed on admissions to gambling excursions authorized under this article at a rate of three dollars (\$3) for each person admitted to the gambling excursion. This admission tax is imposed upon the licensed owner conducting the gambling excursion.

(b) This subsection applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5. A tax is imposed on the admissions to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 or IC 4-33-6.5 at the following rate:

(1) Four dollars (\$4) for each person admitted to a riverboat that docks in a county described in IC 4-33-1-1(3). This admission tax is imposed upon the operating agent of the riverboat.

(2) Three dollars (\$3) for each person admitted to a riverboat that docks in any other county. This admission tax is imposed upon the licensed owner operating the riverboat.

**(c) The commission may by rule determine the point at which a person is considered to be:**

**(1) admitted to a gambling excursion, in the case of a riverboat subject to subsection (a); or**

**(2) admitted to a riverboat, in the case of a riverboat subject to subsection (b);**

**for purposes of collecting the admissions tax under this chapter."**

Page 13, line 4, delete "Indiana health insurance fund established by IC 4-35-8-8" and insert "**state general fund**".

Page 13, line 13, delete "Indiana health insurance fund established by IC 4-35-8-8" and insert "**state general fund**".

Page 13, delete lines 15 through 36.

Page 17, line 2, delete "or a racetrack that offers slot machine

C  
o  
p  
y



wagering".

Page 17, line 3, delete "under IC 4-35".

Page 17, line 4, after "riverboat" insert ".".

Page 17, line 4, delete "or a".

Page 17, line 5, delete "racetrack that offers slot machine wagering under IC 4-35".

Page 20, line 22, after "fee." insert **"This section does not prohibit the assessment and levying of property taxes otherwise authorized by law or the imposing of a special assessment (including a ditch or drainage assessment, Barrett Law assessment, improvement assessment, sewer assessment, or sewage assessment) otherwise authorized by law to be imposed on property to be benefited by an improvement."**

Page 20, line 29, after "Sec. 1." insert "(a)".

Page 20, between lines 30 and 31, begin a new paragraph and insert:  
**"(b) The commission has the following powers and duties for the purpose of administering, regulating, and enforcing the system of gambling games at racetracks authorized under this article:**

- (1) All powers and duties specified in this article.**
- (2) All powers necessary and proper to fully and effectively execute this article.**
- (3) Jurisdiction and supervision over the following:**
  - (A) All gambling game operations in Indiana.**
  - (B) All persons at racetracks where gambling games are conducted.**
- (4) The power to investigate and reinvestigate applicants and license holders and determine the eligibility of applicants for licenses.**
- (5) The power to take appropriate administrative enforcement or disciplinary action against a licensee.**
- (6) The power to investigate alleged violations of this article.**
- (7) The power to conduct hearings.**
- (8) The power to issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other relevant documents.**
- (9) The power to administer oaths and affirmations to the witnesses.**
- (10) The power to prescribe the form to be used by licensees.**
- (11) The power to revoke, suspend, or renew licenses issued under this article.**
- (12) The power to hire employees to gather information, conduct investigations, and carry out other tasks under this**

C  
o  
p  
y



article.

**(13) The power to take any reasonable or appropriate action to enforce this article."**

Page 20, line 31, after "Sec. 2." insert **"(a)"**.

Page 21, between lines 4 and 5, begin a new line block indented and insert:

**"(6) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:**

**(A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and**

**(B) an emergency rule is likely to address the need.**

**(7) Adopt rules to establish and implement a voluntary exclusion program that meets the requirements of subsection (c).**

**(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(6) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(6).**

**(c) Rules adopted under subsection (a)(7) must provide the following:**

**(1) Except as provided by rule of the commission, a person who participates in the voluntary exclusion program agrees to refrain from entering a facility at which gambling games are conducted or another facility under the jurisdiction of the commission.**

**(2) That the name of a person participating in the program will be included on a list of persons excluded from all facilities under the jurisdiction of the commission.**

**(3) Except as provided by rule of the commission, a person who participates in the voluntary exclusion program may not petition the commission for readmittance to a facility under the jurisdiction of the commission.**

**(4) That the list of patrons entering the voluntary exclusion program and the personal information of the participants are confidential and may only be disseminated by the commission to the owner or operator of a facility under the jurisdiction of the commission for purposes of enforcement and to other entities, upon request by the participant and agreement by the commission.**

**(5) That an owner of a facility under the jurisdiction of the commission shall make all reasonable attempts as determined**

**C  
O  
P  
Y**



by the commission to cease all direct marketing efforts to a person participating in the program.

(6) That an owner of a facility under the jurisdiction of the commission may not cash the check of a person participating in the program or extend credit to the person in any manner. However, the voluntary exclusion program does not preclude an owner from seeking the payment of a debt accrued by a person before entering the program."

Page 21, between lines 38 and 39, begin a new paragraph and insert:

"Sec. 7. The commission shall adopt standards for the licensing of the following:

- (1) Persons regulated under this article.
- (2) Slot machines used in gambling games.

Sec. 8. The commission shall require that the records, including financial statements, of a licensee must be maintained in the manner prescribed by the commission.

Sec. 9. (a) The commission may eject or exclude or authorize the ejection or exclusion of a person from a facility at which gambling games are conducted if:

- (1) the person's name is on the list of persons voluntarily excluding themselves from all facilities at which gambling games are conducted in a program established under the rules of the commission;
- (2) the person violates this article; or
- (3) the commission determines that the person's conduct or reputation is such that the person's presence within a facility at which gambling games are conducted may:
  - (A) call into question the honesty and integrity of the gambling operations; or
  - (B) interfere with the orderly conduct of the gambling operations.

(b) A person, other than a person participating in a voluntary exclusion program, may petition the commission for a hearing on the person's ejection or exclusion under this section.

Sec. 10. If a licensee or an employee of a licensee violates this article or engages in a fraudulent act, the commission may do any combination of the following:

- (1) Suspend, revoke, or restrict the license of the licensee.
- (2) Require the removal of a licensee or an employee of a licensee.
- (3) Impose a civil penalty of not more than the greater of:
  - (A) ten thousand dollars (\$10,000); or

C  
o  
p  
y



(B) an amount equal to the licensee's daily gross receipts for the day of the violation;  
against a licensee for each violation of this article.

(4) Impose a civil penalty of not more than twenty-five thousand dollars (\$25,000) against a person who has been issued a supplier's license for each violation of this article.

Sec. 11. (a) The commission shall review and make a determination on a complaint by a licensee concerning an investigative procedure that the licensee alleges is unnecessarily disruptive of slot machine gambling operations.

(b) A licensee filing a complaint under this section must prove all of the following by clear and convincing evidence:

(1) The investigative procedure had no reasonable law enforcement purpose.

(2) The investigative procedure was so disruptive as to unreasonably inhibit slot machine gambling operations.

(c) For purposes of this section, the need to inspect and investigate a licensee shall be presumed at all times.

Sec. 12. (a) The commission shall require a licensee to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

(1) On each admission ticket to a facility at which gambling games are conducted, if tickets are issued.

(2) On a poster or placard that is on display in a public area of each facility at which slot machine gambling operations are conducted.

(b) The commission may adopt rules under IC 4-22-2 necessary to carry out this section."

Page 22, line 2, after "Sec. 2." insert "(a)".

Page 22, between lines 5 and 6, begin a new paragraph and insert:

"(b) Before the commission may issue a license to a person under this chapter, the person must submit to the commission for the commission's approval the physical layout of the person's proposed slot machines and the facilities that will contain the proposed slot machines. The facilities that will contain the slot machines must be connected to the licensee's racetrack facilities.

Sec. 2.5. The commission may not issue a license under this chapter to a person if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(2) the person has knowingly or intentionally submitted an

C  
o  
p  
y



application for a license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of gambling games authorized under this article; or

(6) a license issued to the person:

(A) under this article; or

(B) to own or operate gambling facilities in another jurisdiction;

has been revoked."

Page 22, line 6, after "3." insert "(a)".

Page 22, line 7, delete "one" and insert "four".

Page 22, line 8, delete "(\$100,000,000)" and insert "(\$400,000,000)".

Page 22, between lines 9 and 10, begin a new paragraph and insert:

"(b) The commission shall deposit the first one hundred million dollars (\$100,000,000) of any initial licensing fees collected under this section into the property tax replacement fund. After one hundred million dollars (\$100,000,000) has been deposited into the property tax replacement fund under this section, the commission shall deposit the next one hundred million dollars (\$100,000,000) of any initial licensing fees collected under this section into the state general fund. After one hundred million dollars (\$100,000,000) has been deposited into the property tax replacement fund and one hundred million dollars (\$100,000,000) has been deposited into the state general fund under this section, the commission shall deposit the balance of any remaining initial licensing fees collected under this section into the Indiana life sciences fund established by IC 5-28-28-6.

(c) If one hundred million dollars (\$100,000,000) has been deposited in the property tax replacement fund under this section, the property tax replacement fund board shall calculate and apply an additional homestead credit of one hundred million dollars (\$100,000,000) for property taxes first due and payable in 2007. The additional homestead credit shall be applied to the fall installment of property taxes first due and payable in 2007. The department of local government finance and the property tax replacement fund board shall take the actions necessary to apply

C  
o  
p  
y





the credit. If a taxpayer pays more property taxes first due and payable in 2007 than are required after application of the additional homestead credit under this section, the overpayment shall be refunded to the taxpayer or credited against the taxpayer's spring installment for property taxes first due and payable in 2008, as determined by the department of local government finance."

Page 22, line 14, delete "five thousand" and insert **"one hundred dollars (\$100) per slot machine operated by the licensee; and"**.

Page 22, delete line 15.

Page 22, between lines 17 and 18, begin a new line blocked left and insert:

**"Renewal fees paid under this section shall be deposited in the state general fund."**

Page 22, line 19, after "years" insert ".".

Page 22, between lines 19 and 20, begin a new paragraph and insert:

**"Sec. 4.5. A license issued under this article is null and void if the licensee permanently ends horse racing at the racetrack at which the licensee's slot machines are installed."**

Page 23, line 18, delete "one" and insert **"four"**.

Page 23, line 18, delete "(\$100,000,000)." and insert **"(\$400,000,000)."**

Page 23, line 19, delete "The" and insert **"Except as otherwise provided in this chapter, the"**.

Page 26, delete lines 19 through 28, begin a new paragraph and insert:

**"Sec. 9. (a) A patron may make a slot machine wager at a racetrack only by means of:**

- (1) a token or an electronic card purchased from a licensee at the licensee's racetrack; or**
- (2) money or other negotiable currency.**

**(b) A token or an electronic card may be purchased by means of an agreement under which a licensee extends credit to the patron.**

**(c) All winnings and payoffs from a slot machine at a racetrack:**

- (1) shall be made in tokens, electronic cards, paper tickets, or other evidence of winnings and payoffs approved by the commission; and**
- (2) may not be made in money or other negotiable currency."**

Page 26, line 29, delete "Sec. 11." and insert **"Sec. 10."**

Page 26, line 33, delete "Sec. 12. (a)" and insert **"Sec. 11."**

Page 26, line 33, delete "initially".

Page 26, line 33, delete "two" and insert **"one"**.

**C  
o  
p  
y**



Page 26, line 34, delete "(2,500)" and insert "(1,500)".

Page 26, delete lines 36 through 38.

Page 26, line 39, delete "Sec. 13." and insert "Sec. 12.".

Page 26, delete lines 41 through 42, begin a new paragraph and insert:

**"(b) In each state fiscal year beginning after June 30, 2009, a licensee shall before the fifteenth day of each month devote to horse racing purses an amount equal to fifteen percent (15%) of the adjusted gross receipts of the slot machine wagering from the previous month at the licensee's racetrack. The commission may not use any of this money for any administrative purpose or other purpose of the commission, and the entire amount of the money shall be distributed as provided in this section. A licensee shall distribute the money devoted to horse racing purses under this subsection as follows:**

- (1) Five-tenths percent (0.5%) shall be transferred to horsemen's associations for equine promotion or welfare according to the ratios specified in subsection (e).**
- (2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside benevolence according to the ratios specified in subsection (e).**
- (3) Ninety-seven percent (97%) shall be distributed to promote horses and horse racing as provided in subsection (d).**

**(c) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association.**

**(d) A licensee shall distribute the amounts described in subsection (b)(3) as follows:**

- (1) Forty-six percent (46%) for thoroughbred purposes as follows:**
  - (A) Sixty percent (60%) for the following purposes:**
    - (i) Ninety-seven percent (97%) for thoroughbred purses.**
    - (ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.**
    - (iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.**

**C  
O  
P  
Y**



- (B) Forty percent (40%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.
- (2) Forty-six percent (46%) for standardbred purposes as follows:
- (A) Fifty percent (50%) for the following purposes:
- (i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.
  - (ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.
- (B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.
- (3) Eight percent (8%) for quarter horse purposes as follows:
- (A) Seventy percent (70%) for the following purposes:
- (i) Ninety-five percent (95%) for quarter horse purses.
  - (ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.
- (B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.
- (e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:
- (1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.
  - (2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.
  - (3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.
- (f) A horsemen's association receiving a distribution of money under this section shall annually file a report with the commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission."
- Page 27, delete line 1.
- Page 27, line 2, delete "(c)" and insert "(g)".
- Page 27, line 4, delete "(d)" and insert "(h)".
- Page 27, line 16, delete "(e)" and insert "(i)".
- Page 27, line 17, delete "Indiana health insurance fund established by IC 4-35-8-8." and insert "state general fund."
- Page 27, between lines 17 and 18, begin a new paragraph and insert:
- "Sec. 13. The commission may not prohibit a licensee from allowing pari-mutuel wagering at the facility at which gambling games are conducted under this article."**
- Page 27, delete lines 19 through 22, begin a new paragraph and

C  
o  
p  
y



insert:

**"Sec. 1. (a) A graduated slot machine wagering tax is imposed as follows on the adjusted gross receipts received from wagering on gambling games authorized by this article:**

**(1) Twenty-five percent (25%) of the first one hundred million dollars (\$100,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.**

**(2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.**

**(3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year."**

Page 28, line 25, delete "as follows:" and insert **"to the state general fund."**

Page 28, delete lines 26 through 42, begin a new paragraph and insert:

**"Chapter 8.5. County Slot Machine Wagering Fee**

**Sec. 1. (a) Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a county slot machine wagering fee equal to two percent (2%) of the adjusted gross receipts received from slot machine wagering during the previous month at the licensee's racetrack. However, a licensee is not required to pay more than five million dollars (\$5,000,000) of county slot machine wagering fees under this section in any state fiscal year.**

**(b) The commission shall deposit the county slot machine wagering fee received by the commission into a separate account within the state general fund.**

**Sec. 2. Before the fifteenth day of each month, the treasurer of state shall distribute any county slot machine wagering fees received from a licensee during the previous month to the county auditor of the county in which the licensee's racetrack is located.**

**Sec. 3. The auditor of each county receiving a distribution of county slot machine wagering fees under section 2 of this chapter shall distribute the county slot machine wagering fees as follows:**

**(1) To each city located in the county according to the ratio the city's population bears to the total population of the**

**C  
o  
p  
y**



county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required by subdivisions (1) and (2) are made, the remainder shall be retained by the county.

Sec. 4. (a) As used in this section, "political subdivision" means a county, city, or town.

(b) Money paid to a political subdivision under this chapter:

(1) must be paid to the fiscal officer of the political subdivision and must be deposited in the political subdivision's general fund;

(2) may not be used to reduce the political subdivision's maximum levy under IC 6-1.1 but may be used at the discretion of the political subdivision to reduce the property tax levy of the political subdivision for a particular year;

(3) may be used for any purpose specified in this chapter or for any other legal or corporate purpose of the political subdivision, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

#### Chapter 8.7. Gaming Integrity Fee

Sec. 1. As used in this chapter, "fund" means the gaming integrity fund established by section 3 of this chapter.

Sec. 2. A licensee that offers slot machine wagering under this article shall annually pay to the commission a gaming integrity fee equal to five hundred thousand dollars (\$500,000) for each racetrack at which the licensee offers slot machine wagering. The commission shall deposit gaming integrity fees in the fund.

Sec. 3. (a) The gaming integrity fund is established.

(b) The fund shall be administered by the commission.

(c) The fund consists of gaming integrity fees deposited in the fund under this chapter.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund may be used by the commission only for the following purposes:

(1) To pay the cost of analyzing equine specimens under IC 4-31-12-6(b).

C  
o  
p  
y



(2) To pay dues to the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International.

(3) To provide grants for research for the advancement of equine drug testing. Grants under this subdivision must be approved by the Drug Testing Standards and Practices (DTSP) Committee of the Association of Racing Commissioners International or by the Racing Mediation and Testing Consortium.

#### **Chapter 8.9. Supplemental Fees**

**Sec. 1.** This chapter applies only to state fiscal years beginning after June 30, 2007, and ending before July 1, 2012.

**Sec. 2. (a)** Before the fifteenth day of each month, a licensee that offers slot machine wagering under this article shall pay to the commission a supplemental fee equal to one percent (1%) of the adjusted gross receipts received by the licensee from slot machine wagering.

**(b)** The commission shall deposit the supplemental fees into a separate account within the state general fund.

**Sec. 3.** Before the fifteenth day of each month, the treasurer of state shall distribute supplemental fees received under this chapter during the previous month in equal shares to the licensed owners or operating agent of each riverboat that first opens for business under IC 4-33 after June 30, 2006."

Delete page 29.

Page 30, delete lines 1 through 8.

Page 34, line 17, delete "a permit" and insert "**the commission**".

Page 34, line 18, delete "holder".

Page 34, line 18, delete "of expending at least:" and insert "**for permit holders concerning contracts for goods and services with minority business enterprises and women's business enterprises. The goals under this subsection must as nearly as possible be equal to goals set by the commission under IC 4-33-14-5 for contracts awarded for goods or services.**".

Page 34, delete lines 19 through 24.

Page 35, between lines 21 and 22, begin a new paragraph and insert:  
"SECTION 23. IC 5-28-28 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### **Chapter 28. Indiana Life Sciences Fund**

**Sec. 1.** As used in this chapter, "applicant" means a postsecondary research institution that submits an application for

C  
o  
p  
y



a grant from the fund.

**Sec. 2.** As used in this chapter, "fund" refers to the Indiana life sciences fund established by section 6 of this chapter.

**Sec. 3.** As used in this chapter, "life sciences" refers to research in bioscience, biotechnology, biomedicine, medical device technology, pharmaceuticals, biomedical engineering, bioenergetics, health care engineering, nanotechnology within the life sciences field, agri-sciences, and other related health disciplines and disciplines considered life sciences.

**Sec. 4.** As used in this chapter, "postsecondary research institution" means a public or private college or university in Indiana that offers life sciences graduate programs or life sciences research programs.

**Sec. 5.** As used in this chapter, "world class scientist" means a principal investigator or researcher who:

- (1) holds an academic appointment;
- (2) has a significant research portfolio and a record of attracting external research support; and
- (3) meets any other criteria established by the board.

**Sec. 6. (a)** The Indiana life sciences fund is established within the state treasury to provide grants to postsecondary research institutions to support the recruitment and retention of world class scientists in Indiana for the following purposes:

- (1) To strengthen Indiana's economy by focusing investment in life sciences economic clusters that foster high skill, high wage jobs.
- (2) To target state investment in university based research and development through various means, including:
  - (A) matching funds for federal or private research grants or gifts;
  - (B) support for endowed research faculty chairs at postsecondary research institutions; and
  - (C) investment in research facilities, laboratories, and specialized equipment that is conducive to the conducting of the highest quality of scholarship and research in life sciences.
- (3) To stimulate the transfer of research and technology into marketable products.
- (4) To enter into a collaborative arrangement with the private sector or another public or private educational institution.
- (5) To encourage an environment of innovation and cooperation among Indiana public or private educational

**C  
O  
P  
Y**



institutions, state agencies, and private businesses to promote life sciences research and development activity.

(b) The fund consists of the following:

- (1) Distributions to the fund under IC 4-35-5-3.
- (2) Appropriations from the general assembly.
- (3) Grants and gifts intended for deposit in the fund.
- (4) Interest or other earnings on the fund.

(c) The corporation shall administer the fund. Subject to appropriation by the general assembly, money in the fund may be used to provide grants to postsecondary research institutions to support the recruitment, retention, and ongoing financial support of world class scientists.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(e) The fund is considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise removed from the fund by the state board of finance, the budget agency, or any other state agency.

(f) Money remaining in the fund at the end of a state fiscal year does not revert to the state general fund.

(g) All expenditures from the fund are subject to appropriation by the general assembly.

Sec. 7. (a) A postsecondary research institution may apply for one (1) or more grants from the fund.

(b) An application requesting a grant from the fund must be targeted to one (1) or more of the purposes listed in section 6 of this chapter.

(c) A successful applicant for a grant from the fund must meet the requirements of this section, be awarded a grant by the board, and be approved by the budget agency under section 8 of this chapter. An application for a grant from the fund must be made on an application form prescribed by the board. An applicant shall provide all information that the board finds necessary to make the determinations required by this chapter.

(d) All applications for a grant from the fund must include the following:

- (1) A fully elaborated technical research plan that is appropriate for review by outside experts as provided in this chapter.
- (2) A detailed financial analysis that includes the commitment of resources by any other entities that will be involved in the

**C**  
**O**  
**P**  
**Y**





research project.

(3) A statement of the scientific and commercial potential of the research project.

(4) A statement of the manner in which support from the fund will lead to significantly increased funding from federal or private sources or from private sector research partners.

(5) The profile and obligations of the world class scientist that the applicant is seeking to recruit or retain.

(6) Any other information that the board considers appropriate.

(e) An applicant for a grant from the fund may request that certain information that is submitted by the applicant be kept confidential. The board shall make a determination of confidentiality as soon as is practicable. If the board determines that the information should not be kept confidential, the applicant may withdraw the application, and the board must return the information before making it part of any public record.

**Sec. 8. (a) The board has the following powers:**

(1) To accept and analyze applications under this chapter.

(2) To award grants to applicants, subject to review by the budget committee and approval by the budget agency.

(3) Subject to appropriation by the general assembly, to contract with experts for advice and counsel.

(4) Subject to appropriation by the general assembly, to employ staff to assist in carrying out this chapter, including providing assistance to applicants who wish to apply for a grant from the fund, analyzing proposals, working with experts engaged by the board, and preparing reports and recommendations for the board.

(b) The board shall consider the following factors in making determinations concerning the award of a grant under this chapter:

(1) The scientific merit of the proposed research.

(2) The predicted future success of governmental or private funding for the proposed research.

(3) The ability of the world class scientist identified in the proposal to generate matching funds and funds for additional research.

(4) The extent to which the proposal evidences collaboration among two (2) or more postsecondary research institutions, as well as cost sharing and partnership support from the private sector.

**C  
O  
P  
Y**



(5) The extent to which the proposal will affect the state's ability to attract external financial support, create jobs, attract and retain businesses, or expand technology transfer opportunities in life sciences.

(6) The recommendations from the peer review panel that reviews the proposal. The peer review panel shall be chosen by and report to the board. In determining the composition and duties of a peer review panel, the board shall consider the National Institutes of Health and the National Science Foundation peer review processes as models. The members of the panel must have extensive experience in federal research funding. A panel member may not have a relationship with any private entity or academic institution in Indiana that would constitute a conflict of interest for the panel member. A grant from the fund may not be approved by the board unless the grant proposal has received a positive recommendation from a peer review panel described in this subdivision.

(c) The board shall make final funding determinations, subject to review by the budget committee and approval by the budget agency, for applications for grants from the fund in a timely manner that is responsive to recruiting world class scientists.

(d) As a condition of accepting a grant under this chapter, an applicant shall enter into a memorandum of understanding with the board and the budget agency regarding the expenditure of grant funds.

(e) The board shall annually report to the legislative council, in an electronic format under IC 5-14-6, information concerning the amounts, recipients, and subject matters of grants awarded by the board under this chapter.

**Sec. 9. A grant awarded under this chapter may not be used to conduct embryonic stem cell research.**

SECTION 24. IC 6-3-1-3.5, AS AMENDED BY P.L.184-2006, SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 24, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

**C  
O  
P  
Y**



(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) *for taxable years beginning after December 31, 2004*, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code *for taxable years beginning after December 31, 1996 (as effective January 1, 2004)*; and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

C  
o  
p  
y



(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under

C  
o  
p  
y



subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed

C  
o  
p  
y



or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States. **For taxable years beginning after December 31, 2007, the riverboat wagering tax under IC 4-33-13 is not considered a tax based on or measured by income.**

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

*(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.*

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined

C  
o  
p  
y



in Section 801 of the Internal Revenue Code), adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.
- (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.
- (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.
- (4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.
- (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.
- (6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.
- (7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).
- (8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

- (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

**C  
O  
P  
Y**



(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim

C  
o  
p  
y





of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and

C  
o  
p  
y



two thousand five hundred dollars (\$2,500).".

Page 41, line 14, delete "not more than".

Page 41, line 14, after "months" delete "." and insert **"or for a longer time as determined by the Indiana gaming commission."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1835 as reprinted February 23, 2007.)

KENLEY, Chairperson

Committee Vote: Yeas 9, Nays 3.

C  
o  
p  
y

# SENATE MOTION

Madam President: I move that Engrossed House Bill 1835 be amended to read as follows:

Page 6, line 39, after "(140)" insert **"but not more than one hundred sixty (160)"**.

Page 6, line 42, delete "Ninety" and insert **"At least eighty (80) but not more than ninety"**.

Page 7, line 1, delete "Fifty (50)" and insert **"At least sixty (60) but not more than seventy (70)"**.

Page 7, between lines 16 and 17, begin a new paragraph and insert: **"(d) A permit holder may not conduct more than twelve (12) races on a particular racing day."**

Page 8, between lines 26 and 27, begin a new paragraph and insert: **"(c) A permit holder licensed to conduct gambling games under IC 4-35 is limited to the number of satellite facility licenses issued to the permit holder before January 1, 2007."**

Page 19, line 9, delete "ending before July 1, 2009,".

Page 19, line 12, delete "slot machine taxes," and insert **"money,"**.

Page 19, line 12, delete "to the" and insert **"by licensees under IC 4-35-7-12 to horsemen's associations and for horse racing purses and breed development in the state fiscal year."**

Page 19, delete lines 13 through 14.

Page 19, line 15, delete "a" and insert **"each"**.

Page 19, line 15, delete "ending before July 1, 2009,".

Page 19, line 20, delete "slot machine taxes" and insert **"money distributed under IC 4-35-7-12 that is"**.

Page 19, delete lines 25 through 33.

EH 1835—LS 6529/DI 44+



Page 24, line 18, delete "a" and insert **"each"**.

Page 24, line 18, delete "ending before July 1, 2009,".

Page 24, line 21, delete "For a state fiscal year".

Page 24, delete lines 22 through 24.

Page 25, line 35, delete "permit holder holding a gambling" and insert **"person holding a license issued under this article."**

Page 25, delete line 36.

Page 26, line 14, delete "operations" and insert **"games at racetracks"**.

Page 26, between lines 28 and 29, begin a new paragraph and insert:  
**"Sec. 4. This article will maintain the public's confidence and trust through:**

**(1) comprehensive law enforcement supervision; and**

**(2) the strict regulation of facilities, persons, associations, and gambling games at racetracks under this article."**

Page 27, line 2, delete "license holders" and insert **"licensees"**.

Page 27, line 13, delete "the form" and insert **"forms"**.

Page 27, line 18, after "article." insert **"The employees hired by the commission under this article may be the same as the commission's employees hired under IC 4-32.2 or IC 4-33."**

Page 27, between lines 20 and 21, begin a new paragraph and insert:

**"(c) The commission may by resolution assign to the executive director any duty imposed upon the commission by this article.**

**(d) The executive director shall perform the duties assigned to the executive director by the commission. The executive director may exercise any power conferred upon the commission by this article that is consistent with the duties assigned to the executive director under subsection (c)."**

Page 29, line 31, after "Sec. 7." insert **"(a)"**.

Page 29, between lines 34 and 35, begin a new paragraph and insert:

**"(b) Where applicable, 68 IAC applies to racetracks conducting gambling games under this article."**

Page 30, line 8, delete "operations;" and insert **"games at racetracks;"**.

Page 30, line 9, after "gambling" insert **"games at racetracks."**

Page 30, delete line 10.

Page 30, line 31, delete "slot machine gambling operations." and insert **"gambling games at racetracks."**

Page 30, line 37, delete "slot machine gambling operations." and insert **"gambling games at racetracks."**

Page 31, line 4, delete "slot machine gambling operations" and insert **"gambling games at racetracks"**.

C  
o  
p  
y



Page 31, line 23, after "Sec. 2.5." insert "(a)".

Page 31, after line 42, begin a new paragraph and insert:

**"(b) In determining whether to grant a license under this chapter to an applicant, the commission shall consider the following:**

**(1) The character, reputation, experience, and financial integrity of the following:**

**(A) The applicant.**

**(B) A person that:**

**(i) directly or indirectly controls the applicant; or**

**(ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.**

**(2) The facilities or proposed facilities for the conduct of gambling games.**

**(3) The prospective total revenue to be collected by the state from the conduct of gambling games.**

**(4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.**

**(5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.**

**(6) If the applicant has adequate capitalization to provide and maintain facilities for gambling games for the duration of the license.**

**(7) The extent to which the applicant exceeds or meets other standards adopted by the commission.**

**Sec. 2.6. (a) A licensee under this chapter must post a bond with the commission at least sixty (60) days before the commencement of gambling games at the licensee's racetrack.**

**(b) The bond shall be furnished in:**

**(1) cash or negotiable securities;**

**(2) a surety bond:**

**(A) with a surety company approved by the commission; and**

**(B) guaranteed by a satisfactory guarantor; or**

**(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.**

**(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.**

**(d) The bond:**

**C  
O  
P  
Y**



- (1) is subject to the approval of the commission;
- (2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with gambling games at the racetrack; and
- (3) must be payable to the commission as obligee for use in payment of the licensee's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensee's bond is insufficient, the licensee shall upon written demand of the commission file a new bond.

(f) The commission may require a licensee to file a new bond with a satisfactory surety in the same form and amount if:

- (1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or
- (2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the licensee's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit in which the racetrack is located.

(i) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(j) The commission may adopt rules authorizing the release of a bond under this section.

**Sec. 2.7. The commission may revoke a license under this chapter if:**

- (1) the licensee begins regular gambling game operations more than twelve (12) months after receiving the commission's approval of the application for the license; and
- (2) the commission determines that the revocation of the license is in the best interests of Indiana.

**Sec. 2.8. A license to conduct gambling games:**

**C  
O  
P  
Y**



(1) is a revocable privilege granted by the state; and

(2) is not a property right."

Page 34, line 42, delete "operations" and insert "games at racetracks".

Page 36, between lines 16 and 17, begin a new paragraph and insert:  
**"Chapter 6.5. Licensing of Occupations**

**Sec. 1. The commission shall determine the occupations related to gambling games at racetracks that require a license under this chapter.**

**Sec. 2. (a) The commission may issue an occupational license to an individual if:**

- (1) the individual has applied for the occupational license;
- (2) a nonrefundable application fee set by the commission has been paid on behalf of the applicant in accordance with subsection (b);
- (3) the commission has determined that the applicant is eligible for an occupational license; and
- (4) an annual license fee in an amount established by the commission has been paid on behalf of the applicant in accordance with subsection (b).

**(b) A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article shall pay the application fee of an individual applying for an occupational license to work:**

- (1) in an occupation related to gambling games at the permit holder's racetrack; or
- (2) for the holder of a supplier's license.

**A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article shall pay the annual occupational license fee on behalf of an employee or potential employee. A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article may seek reimbursement of the application fee or annual license fee from an employee who is issued an occupational license.**

**(c) A license issued under this chapter is valid for one (1) year after the date of issuance.**

**(d) Unless an occupational license is suspended, expires, or is revoked, the occupational license may be renewed annually upon:**

- (1) the payment of an annual license fee by the permit holder that is issued a license under this article or the holder of a

**C  
O  
P  
Y**



supplier's license under this article on behalf of the licensee in an amount established by the commission; and

(2) a determination by the commission that the licensee is in compliance with this article.

(e) The commission may investigate the holder of an occupational license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(f) A permit holder that is an applicant for a license under this article or that is issued a license under this article or a holder of a supplier's license under this article:

(1) shall pay the cost of an investigation or reinvestigation of a holder of an occupational license who is employed by the permit holder or holder of a supplier's license; and

(2) may seek reimbursement of the cost of an investigation or reinvestigation from an employee who holds an occupational license.

Sec. 3. Except as provided by section 11 of this chapter, the commission may not issue an occupational license to an individual unless the individual:

(1) is at least eighteen (18) years of age;

(2) has not been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(3) has demonstrated a level of skill or knowledge that the commission determines is necessary to operate gambling games at racetracks; and

(4) has met standards adopted by the commission for the holding of an occupational license.

Sec. 4. The commission shall adopt rules under IC 4-22-2 providing the following:

(1) That an individual applying for an occupational license to manage gambling games at racetracks under this article is subject to background inquiries and requirements similar to those required for an applicant for a license under IC 4-33-6.

(2) That each individual applying for an occupational license may manage gambling games for only one (1) licensee.

Sec. 5. (a) An application for an occupational license must:

(1) be made on forms prescribed by the commission; and

(2) contain all information required by the commission.

(b) An applicant for an occupational license must provide the following information in the application:

(1) If the applicant has held other licenses relating to

**C  
O  
P  
Y**



gambling.

(2) If the applicant has been licensed in any other state under any other name. The applicant must provide under this subdivision the name under which the applicant was licensed in the other state.

(3) The applicant's age.

(4) If a permit or license issued to the applicant in another state has been suspended, restricted, or revoked. The applicant must describe the date and length of a suspension, restriction, or revocation described in this subdivision.

**Sec. 6.** An applicant for an occupational license must submit with the application two (2) sets of the applicant's fingerprints. The applicant must submit the fingerprints on forms provided by the commission. The commission shall charge each applicant a fee set by the state police department to defray the costs associated with the search and classification of the applicant's fingerprints.

**Sec. 7.** The commission may refuse to issue an occupational license to an individual who:

- (1) is unqualified to perform the duties required of the applicant;
- (2) does not disclose or states falsely any information required by the application;
- (3) has been found guilty of a violation of this article;
- (4) has had a gambling related license or an application for a gambling related license suspended, restricted, revoked, or denied for just cause in another state; or
- (5) for just cause is considered by the commission to be unfit to hold an occupational license.

**Sec. 8.** The commission may suspend, revoke, or restrict an occupational licensee for the following reasons:

- (1) A violation of this article.
- (2) A cause that if known to the commission would have disqualified the applicant from receiving the occupational license.
- (3) A default in the payment of an obligation or a debt due to the state.
- (4) Any other just cause.

**Sec. 9. (a)** This article does not prohibit a permit holder that is issued a license from entering into an agreement with a school approved by the commission for the training of an occupational licensee.

**(b)** Training offered by a school described in subsection (a) must

**C  
O  
P  
Y**





be:

- (1) in accordance with a written agreement between the licensee and the school; and
- (2) approved by the commission.

**Sec. 10. Training provided for occupational licensees may be conducted:**

- (1) at a racetrack; or
- (2) at a school with which a licensed owner or an operating agent has entered into an agreement under section 9 of this chapter.

**Sec. 11. (a) An individual who is disqualified under section 3(2) of this chapter due to a conviction for a felony may apply to the commission for a waiver of the requirements of section 3(2) of this chapter.**

**(b) The commission may waive the requirements of section 3(2) of this chapter with respect to an individual applying for an occupational license if:**

- (1) the individual qualifies for a waiver under subsection (e) or (f); and
- (2) the commission determines that the individual has demonstrated by clear and convincing evidence the individual's rehabilitation.

**(c) In determining whether the individual applying for the occupational license has demonstrated rehabilitation under subsection (b), the commission shall consider the following factors:**

- (1) The nature and duties of the position applied for by the individual.
- (2) The nature and seriousness of the offense or conduct.
- (3) The circumstances under which the offense or conduct occurred.
- (4) The date of the offense or conduct.
- (5) The age of the individual when the offense or conduct was committed.
- (6) Whether the offense or conduct was an isolated or a repeated incident.
- (7) A social condition that may have contributed to the offense or conduct.
- (8) Evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational education, successful participation in a correctional work release program, or the recommendation

**C  
o  
p  
y**



of a person who has or has had the individual under the person's supervision.

(9) The complete criminal record of the individual.

(10) The prospective employer's written statement that:

(A) the employer has been advised of all of the facts and circumstances of the individual's criminal record; and

(B) after having considered the facts and circumstances, the prospective employer will hire the individual if the commission grants a waiver of the requirements of section 3(2) of this chapter.

(d) The commission may not waive the requirements of section 3(2) of this chapter for an individual who has been convicted of committing any of the following:

(1) A felony in violation of federal law (as classified in 18 U.S.C. 3559).

(2) A felony of fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction.

(3) A felony of conspiracy to commit a felony described in subdivision (1), (2), or (4) under the laws of Indiana or any other jurisdiction.

(4) A felony of gambling under IC 35-45-5 or IC 35-45-6 or a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a crime described in IC 35-45-5 or IC 35-45-6.

(e) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

(1) the individual has been convicted of committing:

(A) a felony described in IC 35-42 against another human being or a felony described in IC 35-48-4;

(B) a felony under Indiana law that results in bodily injury, serious bodily injury, or death to another human being; or

(C) a crime in any other jurisdiction in which the elements of the crime for which the conviction was entered are substantially similar to the elements of a felony described in clause (A) or (B); and

(2) ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(f) The commission may waive the requirements of section 3(2) of this chapter for an individual if:

**C  
O  
P  
Y**



(1) the individual has been convicted in Indiana or any other jurisdiction of committing a felony not described in subsection (d) or (e); and

(2) five (5) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later, for the conviction described in subdivision (1).

(g) To enable a prospective employer to determine, for purposes of subsection (c)(10), whether the prospective employer has been advised of all of the facts and circumstances of the individual's criminal record, the commission shall notify the prospective employer of all information that the commission:

(1) has obtained concerning the individual; and

(2) is authorized to release under IC 5-14.

(h) The commission shall deny the individual's request to waive the requirements of section 3(2) of this chapter if the individual fails to disclose to both the commission and the prospective employer all information relevant to this section."

Page 37, line 24, after "11." insert "(a)".

Page 37, between lines 26 and 27, begin a new paragraph and insert:

"(b) A slot machine authorized under this article may serve only one (1) person at a particular time."

Page 37, line 29, delete "beginning after June 30, 2009,".

Page 37, line 30, after "to" insert "the gaming integrity fund,".

Page 37, line 31, after "purses" insert ", and to horsemen's associations".

Page 37, line 33, after "The" insert "Indiana horse racing".

Page 37, line 35, after "purpose of the" insert "Indiana horse racing".

Page 37, line 36, after "A" insert "licensee shall pay the first two hundred fifty thousand dollars (\$250,000) distributed under this section in a state fiscal year to the commission for deposit in the gaming integrity fund established by IC 4-35-8.7-3. After this money has been distributed to the commission, a".

Page 37, line 37, after "the" insert "remaining".

Page 37, line 37, after "purses" insert "and to horsemen's associations".

Page 38, line 11, after "association." insert "Expenditures under this subsection are subject to the regulatory requirements of subsection (f)".

Page 38, after line 42, begin a new line blocked left and insert:

"Expenditures under this subsection are subject to the regulatory

C  
o  
p  
y



requirements of subsection (f).".

Page 39, delete lines 9 through 12, begin a new paragraph and insert:

**"(f) Money distributed under this section may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:**

- (1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.**
- (2) The horsemen's association must register with the Indiana horse racing commission.**
- (3) The members of the horsemen's association must be licensed by the Indiana horse racing commission."**

Page 39, between lines 28 and 29, begin a new paragraph and insert:

**"Sec. 13. (a) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.**

**(b) As used in this section, "candidate" refers to any of the following:**

- (1) A candidate for a state office.**
- (2) A candidate for a legislative office.**
- (3) A candidate for a local office.**

**(c) As used in this section, "committee" refers to any of the following:**

- (1) A candidate's committee.**
- (2) A regular party committee.**
- (3) A committee organized by a legislative caucus of the house of the general assembly.**
- (4) A committee organized by a legislative caucus of the senate of the general assembly.**

**(d) Money distributed under section 12 of this chapter may not be used for any of the following purposes:**

- (1) To make a contribution to a candidate or a committee.**

**C  
O  
P  
Y**



**(2) For lobbying (as defined in IC 2-7-1-9)."**

Page 39, line 29, delete "Sec. 13." and insert **"Sec. 14."**

Page 40, delete lines 23 through 42, begin a new paragraph and insert:

**"Sec. 3. Before the fifteenth day of each month, the treasurer of state shall distribute the tax revenue deposited in the state racetrack gaming fund in the preceding month to the state general fund."**

Page 41, delete lines 1 through 9.

Page 42, line 15, delete "five hundred thousand dollars (\$500,000)" and insert **"two hundred fifty thousand dollars (\$250,000)"**.

Page 42, line 21, after "chapter" delete "." and insert **"and money distributed to the fund under IC 4-35-7-12."**

Page 42, between lines 39 and 40, begin a new paragraph and insert:

**"Chapter 8.8. Problem Gambling Fees**

**Sec. 1. As used in this chapter, "division" refers to the division of mental health and addiction.**

**Sec. 2. A licensee that offers slot machine wagering at racetracks under this article shall annually pay to the division a problem gambling fee equal to five hundred thousand dollars (\$500,000) for each racetrack at which the licensee offers slot machine wagering.**

**Sec. 3. The division may use problem gambling fees paid to the division under this chapter only for the prevention and treatment of compulsive gambling that is related to slot machine wagering and other gambling allowed under IC 4-33.**

**Sec. 4. The problem gambling fees used by the division under this chapter for the prevention and treatment of compulsive gambling are in addition to any admissions tax revenue allocated by the division under IC 4-33-12-6 for the prevention and treatment of compulsive gambling."**

Page 47, line 25, delete "as nearly as possible".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1835 as printed March 22, 2007.)

JACKMAN

C  
o  
p  
y



SENATE MOTION

Madam President: I move that Engrossed House Bill 1835 be amended to read as follows:

Page 32, line 5, delete "the first one hundred million".

Page 32, line 6, delete "dollars (\$100,000,000) of".

Page 32, line 7, delete "property tax replacement" and insert "**state general**".

Page 32, line 7, delete "After one".

Page 32, delete lines 8 through 33.

Page 48, delete lines 24 through 42.

Delete pages 49 through 51.

Page 52, delete lines 1 through 19.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1835 as printed March 22, 2007.)

KENLEY

---

SENATE MOTION

Madam President: I move that Engrossed House Bill 1835 be amended to read as follows:

Page 11, line 7, after "license" insert "**under subdivision (a)(5) of this section**".

(Reference is to EHB1835 as printed March 22, 2007.)

ROGERS

C  
o  
p  
y

